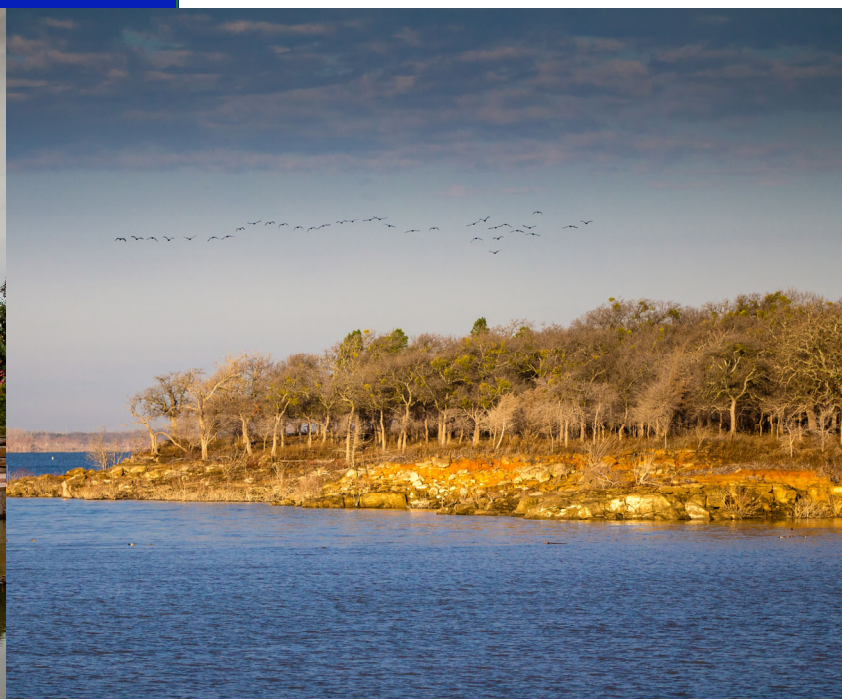
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

THE TOWN OF
FLOWER MOUND
TEXAS



Town of Flower Mound, Texas

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2020

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THE TOWN OF
FLOWER MOUND
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TOWN OF FLOWER MOUND, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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THE TOWN OF
FLOWER MOUND
TEXAS

February 24, 2021

To the Honorable Mayor, Members of the Town Council, and Citizens of the
Town of Flower Mound, Texas:

It is with great pleasure we present to you a copy of the Comprehensive Annual Financial Report (CAFR) of the Town of Flower Mound for the fiscal year ended September 30, 2020. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the end results of the operation of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed "of the books and accounts of each and every department of the Town." The Town has complied with this requirement, and the opinion of the auditing firm of Eide Bailly LLP, Certified Public Accountants, is included as part of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

General Information – The Town of Flower Mound, Texas

The Town of Flower Mound, incorporated in 1961, is located primarily in southern Denton County, approximately 28 miles northwest of downtown Dallas, 25 miles northeast of Fort Worth, 12 miles south of Denton and three miles north of Dallas-Fort Worth International Airport (DFW Airport). A small area located at the southern boundary falls in Tarrant County, as well. The Town's corporate boundary encompasses approximately 46 square miles and serves a population of 78,080. Flower Mound is a master-planned community with an emphasis on SMARTGrowth development, intended to preserve community character.

The majority of Flower Mound is served by the Lewisville Independent School District (LISD), with the Argyle, Denton, Grapevine-Colleyville, and Northwest Independent School Districts also providing educational services for smaller areas of the Town. LISD encompasses more than 127 square miles and serves more than 50,000 students in 13 North Texas communities. There are 21 LISD schools located in Flower Mound: 2 high schools, 2 9th grade campuses, 5 middle

schools, and 12 elementary schools. Most of these campuses are rated ‘Exemplary’ or ‘Recognized’ by the State of Texas.

The Town of Flower Mound Home Rule Charter was adopted November 3, 1981 by a vote of the citizens. The Town operates under a council-manager form of government and provides a full range of services, as authorized by its Charter, including: Police Services, Fire and Emergency Services, Development Services, Parks and Recreation Services, Library Services, Environmental Services, Administrative Services, Legislative Services, Financial Services, and Public Works.

The Town Charter requires that the Town Manager submit a proposed budget to the Town Council by August 1 each year, for the fiscal year beginning October 1. Prior to August 1, the Town Manager and Town department heads prepare expenditure estimates for the remainder of the current year and the upcoming fiscal year. These totals are compared to estimates of revenue for the same referenced period. Adjustments are made to expenditure estimates, as necessary, to ensure that the proposed budget balances total expected revenues. A new budget must be adopted by September 30 or the amounts appropriated for the current fiscal year will be adopted for the ensuing year on a month-to-month basis, until a final budget is formally adopted. Following the adoption of a budget, the Town Manager and Town department heads monitor expenditures and revenues throughout the fiscal year in an effort to ensure that the integrity of the budget will be maintained. Monthly revenue and expenditure reports are produced by the Town's automated budgetary accounting system and reflect monthly and year-to-date totals for each source of revenue and expenditure.

Local Economy

More than 1,350 businesses call Flower Mound home and provide a balanced mix of retailers, restaurants, office, and manufacturing/distribution facilities. Flower Mound’s unemployment rate as of October 2020 was 4.5 percent, compared to a 6.9 percent rate for Texas and 6.9 percent nationally for the same month. Economic conditions in Flower Mound have been greatly influenced by its proximity to two major airports: Dallas/Fort Worth International Airport located three miles south of the Town, and Alliance Airport located five miles to the southwest. DFW International Airport serves an average of 200,000 customers per day and is known as the economic engine of the North Central Texas region. The airport makes an economic impact of $37 billion across north Texas each year, with 228,000 full-time jobs.

Transportation

Flower Mound has two major arterials; FM 1171 (Cross Timbers Road) and FM 2499 (Long Prairie Road). FM 1171 runs east to west through Flower Mound, connecting to Interstate-35E and Interstate-35W. I-35 is a NAFTA-recognized highway, routing transportation and freight between Mexico and Canada through the U.S. The major north-south thoroughfare in the Town is FM 2499. Both roadways provide quick access to several major highways, providing excellent transportation access to the Dallas/Fort Worth Metroplex.

The Texas Department of Transportation (TxDOT) started work in 2018 on the next phase of the DFW Connector Project which includes direct connections between FM 2499 and I 635, SH 114 and SH 121; and a new I 635 interchange. The new I 635/SH 121 interchange is a part of the Texas Clear Lanes Initiative provide by Governor Abbot and the Texas Legislature to reduce gridlock in some of the state’s most congested area. The project is now well underway and expected to be complete in 2021.

Medical-Related Development

Flower Mound has benefitted from a healthy and steady medical and healthcare sector which offers many widely-needed services to the Town and to Denton County. Texas Health Presbyterian Hospital Flower Mound opened in 2010 in the central, mixed-use development The River Walk at Central Park. In December of 2015, the hospital completed construction of a 19,000-sq. ft. expansion which included 4 new operating rooms and 28 prep and recovery beds. A 3,275 sq. ft. Women's Imaging Center expansion opened in November 2014, which provides some of the most technologically-advanced 3-D breast cancer screening options available in North Texas and is a major driver of women's healthcare technology within the State. In April of 2017, Healthgrades awarded the honor of Top Hospitals for Patient Experience to the facility. Last year, additional surgical observation training rooms were constructed and an additional 150-space parking lot was also completed. Most recently, a 14,250 sq. ft. interior expansion to the observation unit occurred to increase Emergency Dept. waiting room size; additional renovations are being done to the kitchen and dining rooms, which will allow the award-winning employer to continue to provide outstanding care to the community.

ClearSky Health, a rehabilitative healthcare provider, announced this year, its plans to open an inpatient rehabilitation hospital in Flower Mound, Texas, creating about 100 new, local healthcare-related jobs. **ClearSky Rehabilitation Hospital of Flower Mound** will locate in the 56,345 square-foot building located at 3100 Peters Colony Rd. The hospital is expected to treat about 650 patients annually, with plans for the first patient to be admitted by the end of this year, after upgrades are completed. The hospital will provide post-acute rehabilitative care to individuals with disabling illnesses or injuries. In addition, the hospital is expected to create approximately 100 new healthcare jobs in Flower Mound. The facility will be made up of 29 private inpatient beds, a specially-equipped gym, and a heated, aquatic swimming pool. Specialized patient programs will include stroke, neurological, and orthopedic rehabilitation, in addition to long-term recovery following critical care and chronic illness management, such as Parkinson's disease and multiple sclerosis.

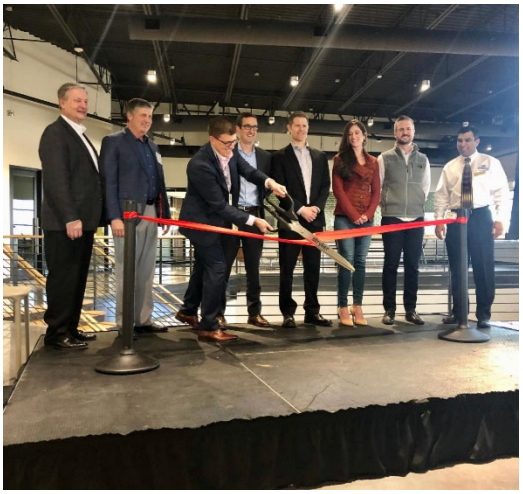
Commercial Development

Great care was taken to develop the southeastern portion of Flower Mound into a thriving commercial business district, taking advantage of the 3-mile proximity to DFW International Airport and major infrastructure. The Town of Flower Mound invested $25 million in public improvements into the Lakeside Business District, including water and sewer extensions and new

road construction. The District ended 2020 with an occupancy rate of 93.1%, a rate consistent with quarters' past. Several deliveries of new space were made in 2020, and almost immediately filled, while a few existing vacancies remain. Construction on several projects has commenced and is expected to level out until additional projects are approved.

The Lakeside Business District has 10 business centers within its boundaries: Cornerstone, Corporate Ridge, Flower Mound Business Park, Lakeside Commerce Center, Lakeside DFW, Lakeside International, Lakeside Ranch Business Park, Lakeside Trade Center, Parkview Commerce Center, and Southgate at Flower Mound. Several notable developers, including Crow Holdings, Duke Realty, EastGroup Properties, Exeter Property Group, Hillwood, Huntington Industrial, and others have already invested in Flower Mound.

More than 100 businesses currently operate in the district, and the past year has seen some major developments and new additions worth note, including:



In February, Town officials attended **Stryker Communication's** re-grand opening ceremony at its newly expanded Flower Mound facility. With its new 68,000-square foot addition, Stryker added new employees and workspaces to its growing organization. The Fortune 500 company is one of the largest private employers in Flower Mound with more than 450 employees, and has the potential to employ more than 700 at its current location in the coming years.

This summer, the Town celebrated the groundbreaking for **Caddo Office Reimagined**, a future two-story, 37,000 square-foot co-working facility. Caddo is making an approximate $9 million capital investment in the building and site improvements on the 2.5-acre tract located at 2201 Spinks Rd. in the Lakeside Business District.

The co-working facility will provide executive office suites and co-working space for individuals working independently or desiring collaboratively shared office space. Once fully occupied, the facility is expected to employ approximately 240 individuals. It is anticipated that the facility will be completed by spring 2021.

Teltech Group, a nationally recognized telecom asset management and logistics/supply chain services company, signed a new lease earlier in the year for the entire 198,854 square feet at 1901 Lakeside Parkway in Flower Mound, Texas. This facility was constructed in 2019 by Huntington Development Group. Teltech recently expanded to delivery technology solutions for government agencies, disaster relief and health care. The company noted Flower Mound's central location, proximity to DFW Airport, and site amenities as primary factors in its decision.

The Eastgroup made significant progress this year on its **Lakeport Project, Phase I**, with the first tenant, **Titans of CNC,** expected to take occupancy early 2021. Lakeport will ultimately contain five flex-space office/warehouse buildings, totaling almost 370,000 square feet on 30-acres within the Lakeside Business District and at the visible southern entrance into Flower Mound at 2499 and the Gerault flyover. Titans of CNC has leased approximately half of building 1 within Lakeport, relocating from Rocklin, California. CEO Titan Gilroy cited several reasons for choosing Flower Mound, including proximity to the DFW Airport, quality of life, great schools, mix of country and residential setting, and the friendliness of the community. The company offers training for the aerospace industry, teaching students and professionals of all ages to design in CAD, program in CAM, and CNC machine real parts. Titan's free academy is being used in over 170 countries.

Telecom industry firm **Communications Test Design Inc. (CTDI)** is expanding the operations side of their business and just leased 185,000 square-feet of space at 1001 Lakeside Parkway, the company's fourth location in the Lakeside Business District. The company provides engineering, repair and logistics for the communications industry.

CTDI has been a longtime corporate resident of Flower Mound, with many of their employees living in and around the Town. CTDI keeps choosing Flower Mound for the benefits of a well-maintained business park and central location. This allows the company to draw employees from a large area and easy access to DFW International Airport, as the company often brings in their various clients. The largest private employer in Flower Mound, CTDI has grown from 600 employees to over 1,200 through the years. The telecom industry firm anticipates growing by more than 100 employees at the new location, as they continue to gain new contracts.

This past year marked a milestone for the Town's corporate office market, when Realty Capital completed an approximately $32 million development in the Lakeside Business District, known as **Lakeside International Office Center**. The development contains two office buildings on the site, a four story-120,000 sq., ft. building and two story-18,500 sq. ft. building. Both buildings are served by surface and structured parking. **IntelliCentrics,** an existing Flower Mound healthcare company that has the largest trusted healthcare technology platform, just occupied the top floor of the larger building. The site contains a trail system that connects patrons to the nearby Shops at Lakeside. Two additional leases have recently been signed and will be announced soon.

In addition to the south end of Town, Flower Mound has designated approximately 1,500 acres in the west end of Town for mixed-use residential and commercial development. The Denton Creek District is located along I-35W, U.S. 377 and FM 1171. The Denton Creek District emphasizes high quality, regional commercial and industrial development, as well as mixed office, retail, and residential uses. The Town of Flower Mound has been working to provide water and wastewater infrastructure to this area.

Progress also continues to be made on the Canyon Falls development to the far west side of Flower Mound. Canyon Falls is a 1,242-acre master-planned community within the Denton Creek District, located in Flower Mound, Northlake, and Argyle. Approximately 626 acres of the development are in Flower Mound. Tentative plans for the project include different village types based on the natural features prominent in that area. Commercial and retail space will be available toward the west and northwest part of the property near Interstate 35W.

Commercial Permit Activity

To date, in 2020 (excluding December), 26 new commercial permits were issued, a decrease from the 70 permits issued in 2019 and 36 issued in 2018. Notable commercial permits throughout the year included: Webb Global Transfer, LLC, Tillman's Restaurant (now Sfereco), Scout Restaurant, Edge Team Technology, ClearSky Rehabilitation, Home2Suites, CTDI Tenant Improvement, Watermere Senior Living, Ceutical Labs, Texas Health Presbyterian expansion, FFF Enterprises, Teltech Communications, Intellicentrics, Brightstar, and more.

The River Walk at Central Park – Central Business District. The River Walk at Central Park is a 158-acre mixed-use development that integrates commercial, office, retail, restaurant, medical, and residential uses in a variety of building types. Easily accessible from any part of the DFW Metroplex, The River Walk at Central Park is anchored by Texas Health Presbyterian Hospital Flower Mound and located along the major north/south development corridor in Town.

The River Walk will offer walkable shopping, dining, art, entertainment, and more along a majestic flowing river. A restaurant row will feature unique and varied dining options, all with a shared patio right on the waterfront. In 2014, highly-requested restaurants La Madeline and Luna Grill were added to the nearby River Walk Market, which includes medical office, Texas Health Presbyterian Hospital Flower Mound, MarketStreet, and more. Residential offerings in the development have continued completion over the past year and have experienced significant demand; pre-leasing quickly and receiving stellar reviews.

Amenities completed within The River Walk at Central Park include sidewalks and pedestrian bridges, lighted waterfalls, a 100-foot water wall, shade structures, public art, a stone and iron clock tower, pavilion, and more. The Restaurant Row buildings, reception hall and the chapel, are all nearing completion, with the first wedding expected to occur in the next couple of months. Additionally, late 2019, building permits were issued for the **Primo's Tex-Mex Kitchen & Lounge** and **Scout** restaurants, which will operate within Restaurant Row. A third restaurant permit for Tillman's, was also later issued, but the restaurant has been changed to a new Italian concept,

Sfereco. Construction on the restaurant finish-out has been ongoing during 2020. The next phase of the development includes a 2,800-seat amphitheater, covered farmer's market, and splash pad. The developer is seeking some revisions to the amphitheater design, which will be processed over the next few months into 2021.

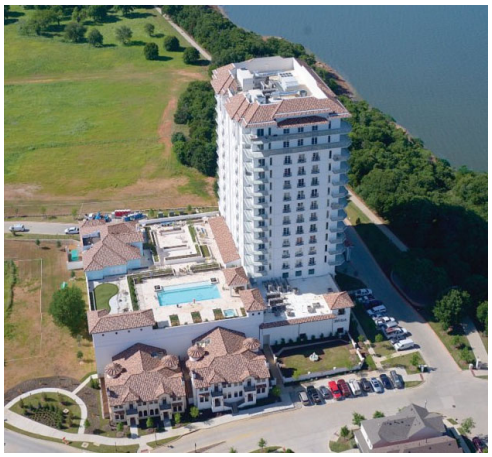
Additionally, Centurion American, the master developer, made significant progress on the retail and office buildings, with tenants Orange Theory, Aria Nail Bar, and Merrill Lynch all now open. River Walk Dental and Mac & Z Playhouse and Café also recently opened within the River Walk's retail/office space.

The Town's first hotel, a **Courtyard by Marriott**, has now been operational for almost three years and has become a community staple. Located at the north end of the River Walk development, the five-story, 146 room, upscale hotel features more than 6,000-sq. ft. in meeting and conference space, an upscale restaurant and bar, outdoor fire pits, balconies overlooking the river and amphitheater, and many high-end finishes to ensure a luxurious experience for guests. A public parking structure sits alongside the hotel, offering guests and visitors immediate access to the River Walk's future amenities.

A second hotel, **Home2Suites** hotel purchased land within the River Walk development and has recently gone vertical. The almost 70,000 sq. ft. hotel will include 100 rooms, a small dining area, exercise room, pool, small meeting area, and a small retail space from which a separate retailer may operate.

This year brought great strides towards serving a community need, with the progress of two senior (over 55 years old) housing facilities. The **RiverWalk Flats**, just north of the River Walk, is now open at 4650 Long Prairie Road, Flower Mound. The apartment community for active adults features a variety of amenities, including a clubhouse, a sports lounge, a saltwater pool, a theater, a 24-hour fitness center and housekeeping services. Additionally, construction recently commenced on the **Watermere** development, another senior independent-living housing project, slated to contain a total of 224 senior housing units, located at the intersection of Dixon Lane and Long Prairie Road. Watermere also offers a full commercial kitchen, optional housekeeping, courtyards, a clubhouse with a game room, an indoor swimming pool that will be heated, a lounge area, a kitchen with dining, a salon, a dog park and pathways. Both developments lie within the Town's Senior Housing Overlay District, which was established to encourage the construction of senior housing.

Lakeside DFW. Success of the $1 billion, 150-acre, mixed-use development continues, while construction of the development draws to a close. This past year brought continued activity in the thriving mixed-use development, with the opening of Egg Farm Café, Lakeside Urban Grocery, Sugaring NYC, and 1845 Taste Texas. The almost 30 retailers and restaurants now operating at **The Shops at Lakeside** (in Lakeside DFW) offer a wide variety of dining, entertainment, and shopping options, creating a modern and vibrant area. In summer 2020, 1845 Taste Texas opened in the former Carvao Prime Brazilian Steakhouse, immediately bringing the space back to life with this authentic Texas style eatery. Owned and operated by well-known restauranteurs Marty Bryan (of Marty B's) and Alan Mann, 1845 has quickly become a favorite in the area, drawing patrons from well beyond Flower Mound's borders.



Another milestone for Lakeside DFW was completed in 2020, with the opening of the **Lakeside Tower** and a full-service spa, SpaVela. The 16-story condominium tower includes 48 residences, four villas at ground level, and two bungalows that sit on the pool and amenity terrace. Each of the residence's ranges in size from 1,400 square feet to over 6,200 square feet. Private elevators provide residents with direct elevator access into their home. Building amenities include a wine room, yoga room, club room, private dining room, private cinema, a full-service spa, guest suites, gym, steam rooms, golf simulator, and a pool terrace. Residents of the Lakeside Tower also have access to 24-hour concierge, valet, and private parking garages enclosed within the main parking garage. Prices for the remaining residences range from $700,000 to $4 million.

The completion of Lakeside DFW will pave the way for developer, Realty Capital, to embarked upon another endeavor, Lakeside Village. The developer broke ground on the project mid-summer this year, commencing construction of the extensive infrastructure needed to support to the project. **Lakeside Village** is located immediately south of the existing Lakeside DFW. This approx. 33-acre mixed use development on the north shore of Grapevine Lake, will bring new residences of every kind, office, hotel, retail, and restaurant uses, as well as an amphitheater, community greens and trails. This environment will be unique to the Metroplex, attracting patrons from well beyond our borders. For example, the proposed seven restaurant sites will be located on elevated terrain on the southernmost tip of the property, offering breathtaking views of Grapevine Lake. Lakeside Village will offer so many amenities to its residents and visitors, but with an estimated build out value of over $1 billion, the economic impact is far reaching.

Retail Development

In 2020, the Town of Flower Mound welcomed over 100 new businesses to the community, with 17 new retail businesses and 3 new restaurants. With moderate population growth, an average household income of $169,495, and several residential developments under construction or planned for the future, Flower Mound is an ideal location for business. More than 350 retailers and restaurants already call Flower Mound home.

Tax Increment Reinvestment Zone (TIRZ #1)

TIRZ #1 encompasses approximately 1,465 acres located along FM 2499, one-half mile south of FM 1171 and north to FM 407. The estimated revenue of the zone over its 20-year life is conservatively $62,600,000, representing an anticipated $43,383,000 from the Town and $19,217,000 from Denton County. The TIRZ #1 2020 Annual Report identified an ending balance of $14,923,518.

Employee Compensation

The salary pay ranges in the Town's pay plans shall be reviewed annually with the objective to maintain all pay ranges at the 65th percentile of the market. Due to Covid-19 and its effects on our community and economy, the Town Council did not approve employee pay increases with the FY 2020-21 budget.

Long-term Financial Planning

As part of the budgeting process, the Town develops a multi-year financial forecast. Over the past few years, the Town has seen steady residential and commercial growth which has allowed for balanced budgets that meet the needs of citizens, while maintaining a high level of reserves, as well. In November 2007, voters approved four, one-fourth-of-one-percent, dedicated sales tax votes for: park and recreation improvements, street maintenance, a Crime Control and Prevention District (CCPD), and a Fire Control, Prevention, and Emergency Medical Services District. The resulting increased sales tax rate went into effect on April 1, 2008. These dedicated sales tax funds have provided the Town with the needed resources to create two new police beats, build and staff two new fire stations, exceptionally maintain the Town's streets, and to improve and expand the Town's park system. The Town Charter requires a General Fund unreserved fund balance of at least 10%. In addition, the Financial Policies of the Town, adopted on September 21, 2020, require a balance of at least 20%. Between Fiscal Year 2015-2016 and Fiscal Year 2019-2020, the balance has ranged from a low of 29.14%, to a high of 33.66%. The General Fund reserve level at the 2020-2021 Fiscal Year-End is projected to be 30.67%.

Tax Rates

All taxable property within the Town is subject to the assessment, levy and collection of a continuing, direct ad valorem tax sufficient to fund operation and maintenance costs in the Town's General Fund as approved by the Town Council and provide payment of principal and interest on outstanding general obligation bonds.

The allocation of property tax levy by purpose (maintenance and operation vs. debt service) for Fiscal Year 2019-2020 and the preceding three years is reflected in the following table (amounts per $100 of assessed value):

Purpose	2019-2020	2018-2019	2017-2018	2016-2017
Maintenance & Operation	$.3540	$.3465	$.3397	$.3377
Debt Service	.0825	.0925	.0993	.1013
Total Tax Rate	$.4365	$.4390	$.4390	$.4390

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979, and subsequent revisions to the Texas Property Tax Code, the appraised value of taxable property in Flower Mound is established by the Denton Central Appraisal District and the Tarrant Appraisal District. The Town of Flower Mound, and other taxing jurisdictions, provides a pro-rata share of the budgeted expenditures incurred by the Denton Central Appraisal District and the Tarrant Appraisal District each year. In Fiscal Year 2019-2020, the Town's payment for appraisal services was $311,702 to Denton Central Appraisal District, and $6,396 to Tarrant Appraisal District. The Town contracted with the Denton County Tax Office for the collection of ad valorem taxes for the year beginning October 1, 2019 and ending September 30, 2020. The Town paid $31,897 for these services.

Independent Audit

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed of “the books and accounts of each and every department of the Town”. The Town has complied with this requirement, and the independent auditor’s report has been included in this report.

Budgetary Control

Budgetary control is established and maintained after adoption of the budget by the preparation of monthly revenue and expenditure statements, which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department and division.

Budget transfers can be processed between line items in a division and between divisions in a department in the same fund. A transfer cannot change the total budget for a department. Amendments can be made to transfer funds which can change the total budget. Section 9.14 of the Town Charter provides Town Council the authority to amend the budget and reads:

During the fiscal year, the Town Council shall have the power to transfer funds allocated by the budget from one department to another department, and to re-estimate revenues and expenditures. If the Town Council determines it is in the best interest of the Town to apply for and accept a private, county, state or federal grant of funds for a particular purpose, the Council's action in accepting the award of said grant and any corresponding expenditures shall constitute a budget appropriation in the amount of said grant funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Flower Mound, Texas for its comprehensive annual financial report for fiscal year ended September 30, 2019.

The Town of Flower Mound, Texas has received a Certificate of Achievement for the last thirty-three consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

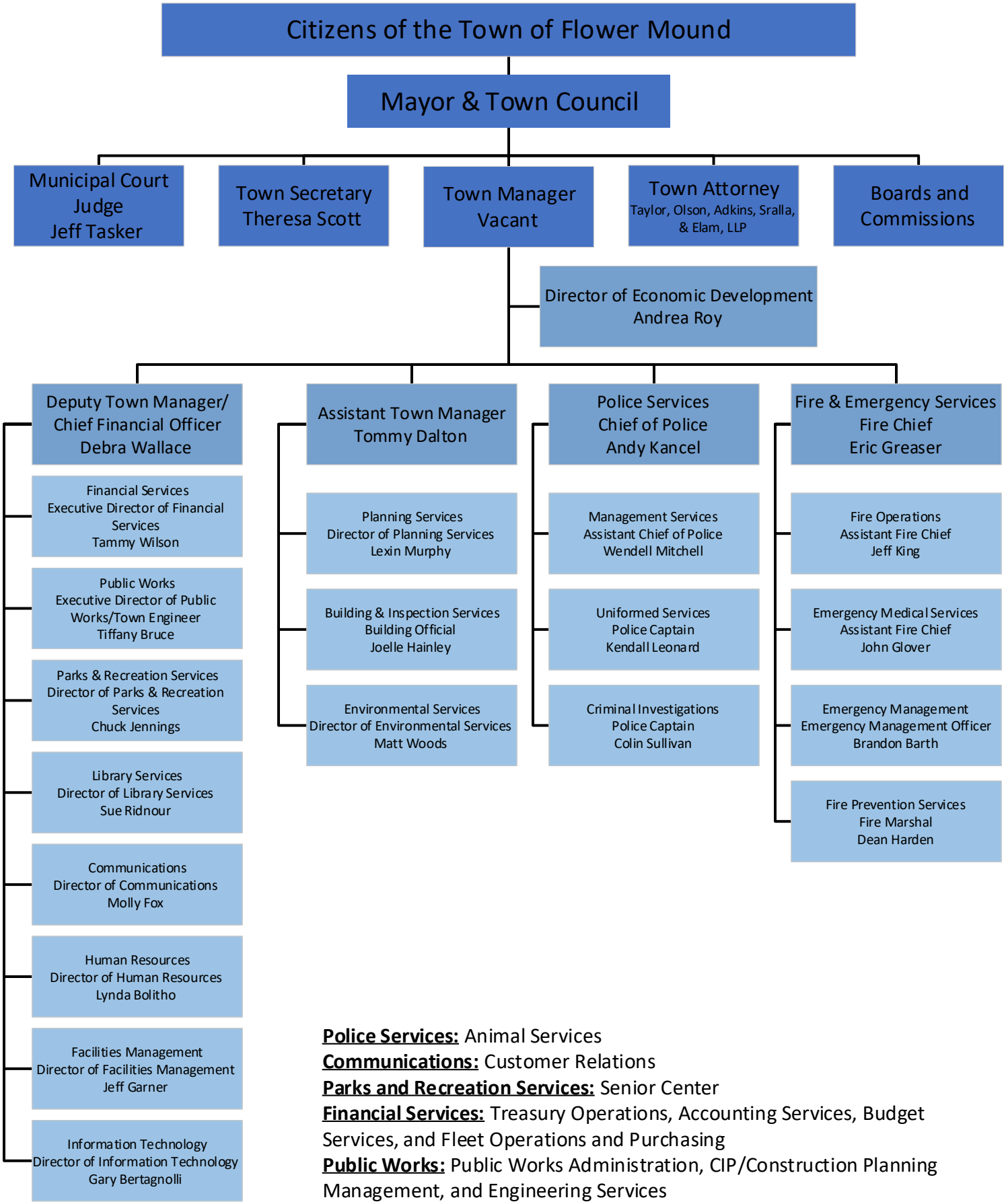
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. The administrative and finance staff also wish to commend and thank the Mayor and Town Council for their leadership and support in our combined efforts to provide a comprehensive program of municipal operations and services while remaining within a framework of sound financial planning, responsible fiscal control and progressive financial reporting.

Respectfully submitted,

Debra Wallace

Debra Wallace
Interim Town Manager/CFO

Town of Flower Mound Organizational Chart


Citizens of the Town of Flower Mound
Mayor & Town Council
Municipal Court Judge Jeff Tasker
Town Secretary Theresa Scott
Town Manager Vacant
Town Attorney Taylor, Olson, Adkins, Sralla, & Elam, LLP
Boards and Commissions
Director of Economic Development Andrea Roy
Deputy Town Manager/ Chief Financial Officer Debra Wallace
Financial Services Executive Director of Financial Services Tammy Wilson
Public Works Executive Director of Public Works/Town Engineer Tiffany Bruce
Parks & Recreation Services Director of Parks & Recreation Services Chuck Jennings
Library Services Director of Library Services Sue Ridnour
Communications Director of Communications Molly Fox
Human Resources Director of Human Resources Lynda Bolitho
Facilities Management Director of Facilities Management Jeff Garner
Information Technology Director of Information Technology Gary Bertagnolli
Assistant Town Manager Tommy Dalton
Planning Services Director of Planning Services Lexin Murphy
Building & Inspection Services Building Official Joelle Hainley
Environmental Services Director of Environmental Services Matt Woods
Police Services Chief of Police Andy Kancel
Management Services Assistant Chief of Police Wendell Mitchell
Uniformed Services Police Captain Kendall Leonard
Criminal Investigations Police Captain Colin Sullivan
Fire & Emergency Services Fire Chief Eric Greaser
Fire Operations Assistant Fire Chief Jeff King
Emergency Medical Services Assistant Fire Chief John Glover
Emergency Management Emergency Management Officer Brandon Barth
Fire Prevention Services Fire Marshal Dean Harden

Police Services: Animal Services
Communications: Customer Relations
Parks and Recreation Services: Senior Center
Financial Services: Treasury Operations, Accounting Services, Budget Services, and Fleet Operations and Purchasing
Public Works: Public Works Administration, CIP/Construction Planning Management, and Engineering Services

Town of Flower Mound
PRINCIPAL OFFICIALS
September 30, 2020

TOWN OFFICIAL	ELECTIVE POSITION	TERM EXPIRES
Steve Dixon	Mayor	2021
Jim Pierson	Council Member, Place 1	2022
Sandeep Sharma	Council Member, Place 2	2023
Ben Bumgarner	Deputy Mayor Pro Tem Council Member, Place 3	2022
Jim Engel	Mayor Pro Tem Council Member, Place 4	2021
Ann Martin	Council Member, Place 5	2023

ADMINISTRATIVE STAFF	ADDRESS	APPOINTIVE POSITION
Debra L. Wallace	2121 Cross Timbers Road	Interim Town Manager/CFO
Vacant	2121 Cross Timbers Road	Deputy Town Manager
Tommy Dalton	2121 Cross Timbers Road	Assistant Town Manager
Theresa Scott	2121 Cross Timbers Road	Town Secretary
Andy Kancel	2121 Cross Timbers Road	Chief of Police
Eric Greaser	2121 Cross Timbers Road	Fire Chief
Tiffany Bruce	2121 Cross Timbers Road	Executive Director of Public Works
Tammy Wilson	2121 Cross Timbers Road	Executive Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Flower Mound Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Mayor and
Members of Town Council
Town of Flower Mound, Texas

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2021 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Ede Bailly LLP

Abilene, Texas
February 24, 2021

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Management's Discussion and Analysis
September 30, 2020

The management of the Town of Flower Mound offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Flower Mound exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $546,492,072. Of this amount, $44,768,859 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by $22,800,241. The majority of this increase is attributable to development in both governmental funds and business-type activities.
- As of September 30, 2020, the Town of Flower Mound's governmental funds reported combined ending fund balances of $90,373,590, a decrease of $3,642,180 in comparison with the prior year. 23.58% of this total amount, $21,309,816, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $21,309,816, or 34.14% of total general fund expenditures.
- The Town of Flower Mound's bonded debt decreased by $8,590,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $15,980,000, refunding of $5,055,000 and the issuance of $7,910,000 in certificates of obligation and $4,535,000 in general obligation refunding bonds.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the Town is divided between two kinds of activities:

- **Governmental activities**. Most of the Town's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- **Business-type activities**. The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Flower Mound can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. The majority of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Flower Mound maintains twenty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other twenty–four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (a component of proprietary funds) is identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's self-insurance fund and vehicle, equipment and technology replacement fund. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The Town of Flower Mound maintains an enterprise fund to account for water, sewer and drainage services provided to the Town's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's only fiduciary fund is the public improvement district debt service agency fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as, the funding progress and contributions of TMRS and the Town's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The Town's combined net position is $546,492,072 as of September 30, 2020. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $183,246,001. This analysis focuses on the net position and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's net position:

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 120,482,447	$ 121,685,710	$ 69,987,420	$ 71,463,479	$ 190,469,867	$ 193,149,189
Capital assets	355,030,765	342,866,958	220,630,923	207,900,146	575,661,688	550,767,104
Total assets	475,513,212	464,552,668	290,618,343	279,363,625	766,131,555	743,916,293
Deferred outflows of resources	6,726,169	11,597,132	1,195,822	2,062,567	7,921,991	13,659,699
Long-term liabilities outstanding	100,567,366	115,831,206	101,583,535	101,062,210	202,150,901	216,893,416
Other liabilities	14,133,796	12,313,567	6,277,451	4,166,806	20,411,247	16,480,373
Total liabilities	114,701,162	128,144,773	107,860,986	105,229,016	222,562,148	233,373,789
Deferred Inflows of resources	4,292,148	412,257	707,178	98,115	4,999,326	510,372
Net investment in capital assets	284,502,370	274,850,281	146,438,852	143,033,465	430,941,222	417,883,746
Restricted	45,967,635	42,179,244	24,814,356	21,457,609	70,781,991	63,636,853
Unrestricted	32,776,066	30,563,245	11,992,793	11,607,987	44,768,859	42,171,232
Total net position	$ 363,246,071	$ 347,592,770	$ 183,246,001	$ 176,099,061	$ 546,492,072	$ 523,691,831

Governmental activities. The following table provides a summary of the Town's operations for the year ended September 30, 2020. Governmental activities increased the Town's net position by $15,653,301, accounting for 68.65% of the total increase in net position. The majority of governmental activities increase in net position is due to development activity in the Town and controlling expenses.

Business-type activities. Business-type activities increased the Town's net position by $7,146,940, accounting for 31.35% of the total increase in net position. Business-type activities net position increased due to a utility rate increase and development activity in the Town.

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	$ 8,886,067	$ 10,039,853	$ 46,600,326	$ 42,418,217	$ 55,486,393	$ 52,458,070
Operating grants and contributions	2,239,746	183,013	-	-	2,239,746	183,013
Capital grants and contributions	8,183,369	13,214,793	7,382,266	9,103,720	15,565,635	22,318,513
General revenues:						
Property taxes	54,639,637	51,056,486	-	-	54,639,637	51,056,486
Sales taxes	25,360,411	25,286,435	-	-	25,360,411	25,286,435
Occupancy taxes	251,204	348,307	-	-	251,204	348,307
Other taxes	5,905,293	6,615,705	-	-	5,905,293	6,615,705
Unrestricted investment earnings	1,417,681	2,791,043	643,619	1,097,353	2,061,300	3,888,396
Miscellaneous	787,908	1,120,705	380,136	390,020	1,168,044	1,510,725
Total revenues	107,671,316	110,656,340	55,006,347	53,009,310	162,677,663	163,665,650
Expenses:						
Town manager's office	3,454,566	3,273,180	-	-	3,454,566	3,273,180
Legislative services	506,395	524,126	-	-	506,395	524,126
Development services	2,187,528	1,983,306	-	-	2,187,528	1,983,306
Parks and recreation services	7,053,088	12,344,192	-	-	7,053,088	12,344,192
Library services	1,943,000	1,896,889	-	-	1,943,000	1,896,889
Police services	17,946,700	18,964,282	-	-	17,946,700	18,964,282
Financial services	4,392,826	4,000,678	-	-	4,392,826	4,000,678
Administrative services	6,508,843	6,038,018	-	-	6,508,843	6,038,018
Fire and emergency services	20,719,163	20,916,756	-	-	20,719,163	20,916,756
Communications	784,176	806,512	-	-	784,176	806,512
Public works	24,568,733	10,155,359	-	-	24,568,733	10,155,359
Environmental services	1,509,345	1,487,918	-	-	1,509,345	1,487,918
Interest on long-term debt	2,332,467	2,449,547	-	-	2,332,467	2,449,547
Utilities	-	-	45,970,592	42,723,810	45,970,592	42,723,810
Total expenses	93,906,830	84,840,763	45,970,592	42,723,810	139,877,422	127,564,573
Increase (decrease) in net position before transfers	13,764,486	25,815,577	9,035,755	10,285,500	22,800,241	36,101,077
Transfers	1,888,815	1,218,430	(1,888,815)	(1,218,430)	-	-
Increase (decrease) in net position	15,653,301	27,034,007	7,146,940	9,067,070	22,800,241	36,101,077
Net position - 10/01	347,592,770	320,558,763	176,099,061	167,031,991	523,691,831	487,590,754
Net position - 09/30	$ 363,246,071	$ 347,592,770	$ 183,246,001	$ 176,099,061	$ 546,492,072	$ 523,691,831

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $90,373,590, a decrease of $3,642,180 in comparison with the prior year. Approximately $21,309,816 or 23.58% of the total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. Committed fund balance totals $15,036,071 or 16.63%, meaning that the Town by formal action has determined what this amount will be spent on.

Fund balance of $53,372,864 or 59.06% is restricted to indicate that it is not available for new spending. The Town also has prepaid items of $33,678 or 0.04% and inventory of $621,161 or 0.69% which are classified as non-spendable fund balance.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $21,309,816, while total fund balance was $22,764,655. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34.14% of total general fund expenditures, while total fund balance represents 36.47% of that same amount.

The fund balance of the Town's general fund increased by $1,293,625 during the current fiscal year.

Key factors are as follows:

- Property tax revenue increase from the previous year of $2,965,895.
- Sales tax revenue increase from the previous year of $38,659.
- Expenditures also increased due to several one-time transfers for capital projects.

Property tax revenue is higher due to increased assessed values and development activity. Sales tax revenue is slightly higher than the previous year but lower than budget due to the impact of the pandemic for restaurants and retail establishments.

The debt service fund has a total fund balance of $1,612,369, an increase of $179,504.

The fund balance of the Town's capital projects fund decreased by $10,760,116 during the current fiscal year due to capital project activity.

Other governmental funds have a total fund balance of $41,881,303, an increase of $5,664,807. The TIRZ and the Park Development Fund increased due to development activity. The Street Maintenance Fund increased due to the small increase in sales tax and Parks 4B Fund increased due to less capital project activity. The Tree Preservation fund decreased due to expenditure increases associated with a tree farm.

Proprietary funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Fund totaled $182,860,254 at the end of the fiscal year 2020, an increase of $6,746,791 or 3.83%. Included in net position is $146,438,852 net investment in capital assets and $24,814,356 restricted for capital projects. The remaining net position balance of $11,607,046 consists of unrestricted net position. In the current fiscal year, total operating revenues are $46,980,462 while operating expenses are $42,780,372. Revenue increased over the prior year due to increased rates and normal rainfall activity in fiscal year 2019-2020 after unusual high rainfall in fiscal year 2018-2019. Expenses increased due to the purchase of wholesale water and capital project activity.

General Fund Budgetary Highlights

During fiscal year 2019-2020, the Town Council of the Town of Flower Mound amended the budget for the General Fund four times. The original expenditure budget was amended to increase the budget by $1,564,567.

The budget was increased by $230,000 for economic development incentives. Additionally, the Financial Services budget was increased by $91,783 for the Home Improvement Incentive Program. The Town Manager's budget was increased by $198,470 for a 380 agreement with Duke Realty. The Police Services budget was increased by $199,792 to account for changes in the Step plan, for the final payment to ACMS and to transfer 1 FTE for a School Crossing Guard from the Crime Control District budget. The Facilities budget was increased by $49,000 for generator installation at Fire Station 6. The Technology Services budget was decreased by $28,000 due to a change in the computer rollout process. The Fire Department budget decreased by $644,017 due to the SAFER grant, and increased for two donations in the amount of $19,000 and $5,000 and an increase in costs to the Tour 18 warning siren in the amount of $2,250. Non-Departmental budget increased by $400,000 to account for Council Committed funds. The Public Works budget was increased by $350,000 for a CIP project with TxDOT. The remaining $691,289 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2020.

The revenue budget was decreased with amendments by $36,000. The Town received two donations for the Fire Department totaling $24,000. One donation from an anonymous donor in the amount of $19,000 to purchase water rescue equipment and $5,000 from Atmos Energy to purchase an inflatable rescue raft. Revenues were decreased by $60,000 due to change in the School Resource Officer contract with Lewisville Independent School District.

Staff reviewed each supplemental appropriation throughout the year and determined that reserves were sufficient to recommend their increase.

The original budget reflected the Town would decrease fund balance by $3,737,929. The fund balance for the general fund increased in the amount of $1,293,625 during the fiscal year.

For fiscal year 2019-2020, actual expenditures on a budgetary basis were $62,578,701 compared to the original budget of $67,956,986. This was a positive $5,378,285 variance. Actual revenue on a budgetary basis was $66,310,656 compared to the original budget of $68,206,211. This was a negative variance of $1,895,555. This is primarily due to a decrease in charges for services and sales tax, caused by the pandemic.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounted to $575,661,688 (net of accumulated depreciation). This investment in capital assets includes land, building, park facilities, roads, bridges and water and sewer lines.

Major capital asset events during the current fiscal year included the following:

Description	Amount
Library Expansion	$ 8,246,439
Wastewater Treatment Plant Rehab Phase V	4,348,318
Fire Station # 7 & Apparatus	3,180,302
Upper Timber Creek Interceptor Phase IV	2,763,046
Upper Timber Creek Interceptor Phase III	2,019,250
Morriss Road 20 inch Water Line	1,427,685
Aberdeen Drive Phase I (2 Lanes FM 2499 to Lake Forest)	1,339,864
Morriss Road Reconstruction	1,336,219
Wastewater Treatment Plant Ultraviolet System Update	1,033,682
FM Riverwalk Parking Garage	1,000,000
Kirkpatrick 12" Water Line	910,652
Yucca Drive Reconstruction	873,102
Morriss Road Water Line Phase I	761,405
Pintail Pump Station Auxiliary Power & Upgrades	744,061
Red Bud Point Water Service Relocation	674,052
Grady Court Reconstruction	642,844
Peters Colony - Quail Run Roundabout	604,966
FM 2499 12" Water Line Ph I	603,821
FM 1171 @ River Walk Dr Intersection Improvements	493,317
US 377 and Canyon Falls Drive Signal	437,390
2018-19 Playground Replacements	432,614
Police & Courts Facility Upgrades	392,919
Bakers Branch Stabilization @ 621 Summerset Drive	387,948
Morriss/Gerault Improvements Ph II	368,547
FM 2499 at Lakeside North Right Turn Lane	354,885
Fire Station No. 1 Facility Upgrades	304,534
Forest Vista Reconstruction Ph II	267,584
Storage Warehouse	259,488
Windsor Roundabout Connection	252,360
Rippy Road	219,525
	$ 36,680,817

Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	$ 35,782,959	$ 32,065,696	$ 4,419,755	$ 4,419,755	$ 40,202,714	$ 36,485,451
Construction in progress	53,291,474	64,224,552	24,967,543	11,408,950	78,259,017	75,633,502
Buildings	69,246,034	50,389,055	31,991,363	32,824,912	101,237,397	83,213,967
Distribution system	-	-	157,483,158	157,582,667	157,483,158	157,582,667
Equipment	12,663,499	14,075,624	1,769,104	1,663,862	14,432,603	15,739,486
Improvements	30,810,561	30,800,776	-	-	30,810,561	30,800,776
Streets and bridges	153,236,238	151,311,255	-	-	153,236,238	151,311,255
Totals	$ 355,030,765	$ 342,866,958	$ 220,630,923	$ 207,900,146	$ 575,661,688	$ 550,767,104

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonds outstanding of $161,130,000 in tax supported debt.

Outstanding Debt, at Year-end

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 22,215,000	$ 23,940,000	$ 12,925,000	$ 15,435,000	$ 35,140,000	$ 39,375,000
Certificates of obligation	49,160,000	56,665,000	76,830,000	73,680,000	125,990,000	130,345,000
Totals	$ 71,375,000	$ 80,605,000	$ 89,755,000	$ 89,115,000	$ 161,130,000	$ 169,720,000

The Town of Flower Mound's bonded debt decreased by $8,590,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $15,980,000, refunding of $5,055,000 and the issuance of $7,910,000 in certificates of obligation and $4,535,000 in general obligation refunding bonds.

- On June 16, 2020, the Town issued $7,910,000 in Certificates of Obligation Series, 2020, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

- The Town Council authorized an ordinance on June 16, 2020 to issue $4,535,000 in General Obligation Refunding Bonds Series, 2020, to defease or refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligations Series 2009 and Series 2010, for $1,740,000 for years maturing 2021 through 2029 and $3,315,000 for years maturing 2021 through 2030, respectively.

Standard and Poor's affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA". Fitch Ratings affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA".

The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the

payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is .66%.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The fiscal year 2020-2021 budget incorporates no change in the property tax rate. The rate will remain at $.4365 per $100 valuation.

The Town increased the base operating budget for fiscal year 2020-2021 primarily by including non-discretionary and decision packages during the budget process. Non-discretionary packages included a variety of one-time replacement and maintenance costs. Decision packages included implementing the new programs at the newly renovated Library including 2 additional positions, as well as, various improvements and renovations in facilities and infrastructure.

The Town Charter requires that 10.00% of the general fund budget be placed in reserves. The new budget includes an estimated 30.67% unassigned general fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Flower Mound, Financial Services, 2121 Cross Timbers Road, Flower Mound, TX, 75028.

Town of Flower Mound, Texas
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 62,790,351	$ 6,916,241	$ 69,706,592
Investments	48,627,395	4,856,266	53,483,661
Receivables (net of allowances for estimated uncollectibles):			
Ad valorem taxes	603,901	-	603,901
Other taxes	4,246,143	-	4,246,143
Unbilled services	-	2,193,300	2,193,300
Accounts	1,508,901	3,847,822	5,356,723
Accrued interest	103,576	-	103,576
Intergovernmental	598,131	-	598,131
Internal balances	(385,747)	385,747	-
Franchise fees	1,734,046	-	1,734,046
Prepaids	34,589	30,862	65,451
Inventory	621,161	539,822	1,160,983
Restricted:			
Cash and cash equivalents	-	44,655,922	44,655,922
Investments	-	6,561,438	6,561,438
Capital assets			
Land	35,782,959	4,419,755	40,202,714
Buildings	91,082,607	53,624,020	144,706,627
Distribution system	-	243,026,762	243,026,762
Equipment	25,686,041	3,951,551	29,637,592
Construction in progress	53,291,474	24,967,543	78,259,017
Improvements	45,800,229	-	45,800,229
Streets and bridges	426,346,906	-	426,346,906
Accumulated depreciation	(322,959,451)	(109,358,708)	(432,318,159)
Total Assets	475,513,212	290,618,343	766,131,555
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refundings	715,359	344,293	1,059,652
Deferred outflows related to pensions	5,718,705	801,127	6,519,832
Deferred outflows related to OPEB	292,105	50,402	342,507
Total deferred outflow of resources	6,726,169	1,195,822	7,921,991
LIABILITIES			
Accounts payable	7,371,040	4,354,825	11,725,865
Estimated health claims	1,318,340	-	1,318,340
Salaries payable	1,540,481	195,596	1,736,077
Retainage payable	1,134,602	871,428	2,006,030
Arbitrage payable	28,449	-	28,449
Unearned revenue	2,496,237	-	2,496,237
Meter deposits	-	533,623	533,623
Payables from restricted assets:			
Accrued bond interest	-	321,979	321,979
Accrued bond interest	244,647	-	244,647
Long-term liabilities:			
Due within one year	10,380,016	8,204,445	18,584,461
Due within more than one year	90,187,350	93,379,090	183,566,440
Total Liabilities	114,701,162	107,860,986	222,562,148
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pensions	3,699,717	579,453	4,279,170
Deferred inflows related to OPEB	592,431	127,725	720,156
Total deferred inflow of resources	4,292,148	707,178	4,999,326
NET POSITION			
Net investment in capital assets	284,502,370	146,438,852	430,941,222
Restricted for:			
Community services	640,680	-	640,680
Community development	14,923,518	-	14,923,518
Public safety-police	2,265,378	-	2,265,378
Public safety-fire	537,774	-	537,774
Streets	20,338,032	-	20,338,032
Parks	5,762,853	-	5,762,853
Debt service	1,499,400	-	1,499,400
Capital projects	-	24,814,356	24,814,356
Unrestricted	32,776,066	11,992,793	44,768,859
Total Net Position	$ 363,246,071	$ 183,246,001	$ 546,492,072

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
Town manager's office	$ 3,454,566	$ 24,000	$ -
Legislative services	506,395	27,973	-
Development services	2,187,528	2,382,693	-
Parks & recreation services	7,053,088	2,616,256	88,111
Library services	1,943,000	-	-
Police services	17,946,700	946,479	13,770
Financial services	4,392,826	718,172	-
Administrative services	6,508,843	-	-
Fire and emergency services	20,719,163	1,520,388	2,059,851
Communications	784,176	-	-
Public works	24,568,733	427,204	-
Environmental services	1,509,345	222,902	78,014
Interest on long-term debt	2,332,467	-	-
Total governmental activities	93,906,830	8,886,067	2,239,746
Business-type activities:			
Utilities	45,970,592	46,600,326	-
Total business-type activities	45,970,592	46,600,326	-
Total primary government	$ 139,877,422	$ 55,486,393	$ 2,239,746

General Revenues:
Property taxes
Sales taxes
Occupancy taxes
Franchise taxes
Alcoholic beverage taxes
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
$ -	$ (3,430,566)	$ -	$ (3,430,566)
-	(478,422)	-	(478,422)
-	195,165	-	195,165
-	(4,348,721)	-	(4,348,721)
-	(1,943,000)	-	(1,943,000)
-	(16,986,451)	-	(16,986,451)
-	(3,674,654)	-	(3,674,654)
-	(6,508,843)	-	(6,508,843)
-	(17,138,924)	-	(17,138,924)
-	(784,176)	-	(784,176)
8,183,369	(15,958,160)	-	(15,958,160)
-	(1,208,429)	-	(1,208,429)
-	(2,332,467)	-	(2,332,467)
8,183,369	(74,597,648)	-	(74,597,648)
7,382,266	-	8,012,000	8,012,000
7,382,266	-	8,012,000	8,012,000
$ 15,565,635	$ (74,597,648)	$ 8,012,000	$ (66,585,648)
	54,639,637	-	54,639,637
	25,360,411	-	25,360,411
	251,204	-	251,204
	5,688,313	-	5,688,313
	216,980	-	216,980
	1,417,681	643,619	2,061,300
	787,908	380,136	1,168,044
	1,888,815	(1,888,815)	-
	90,250,949	(865,060)	89,385,889
	15,653,301	7,146,940	22,800,241
	347,592,770	176,099,061	523,691,831
	$ 363,246,071	$ 183,246,001	$ 546,492,072

Town of Flower Mound, Texas
Balance Sheet
Governmental Funds
September 30, 2020

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 12,186,786	$ 724,030	$ 22,500,824	$ 20,146,998	$ 55,558,638
Investments	12,871,347	878,467	3,438,841	22,717,228	39,905,883
Receivables (net of allowances for estimated uncollectibles):					
Ad valorem taxes	462,351	141,550	-	-	603,901
Other taxes	2,148,613	-	-	2,097,530	4,246,143
Accounts	1,175,520	-	-	10,942	1,186,462
Accrued interest	103,576	-	-	-	103,576
Intergovernmental	11,448	-	37,978	548,705	598,131
Interfund	-	-	-	464,264	464,264
Franchise fees	1,693,650	-	-	40,396	1,734,046
Inventory	621,161	-	-	-	621,161
Prepaid items	33,678	-	647	264	34,589
Total Assets	$ 31,308,130	$ 1,744,047	$ 25,978,290	$ 46,026,327	$ 105,056,794
LIABILITIES					
Accounts payable	$ 5,656,434	$ -	$ 1,025,566	$ 688,640	$ 7,370,640
Accrued interest	-	5,950	-	-	5,950
Retainage payable	-	-	809,012	325,590	1,134,602
Arbitrage payable	-	-	28,449	-	28,449
Salaries payable	1,370,188	-	-	170,293	1,540,481
Interfund	-	-	-	464,264	464,264
Unearned revenue	-	-	-	2,496,237	2,496,237
Total Liabilities	7,026,622	5,950	1,863,027	4,145,024	13,040,623
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	1,516,853	125,728	-	-	1,642,581
Total deferred inflows of resources	1,516,853	125,728	-	-	1,642,581
FUND BALANCES					
Nonspendable for:					
Prepaids	33,678	-	-	-	33,678
Inventory	621,161	-	-	-	621,161
Restricted for:					
Community services	-	-	-	640,680	640,680
Community development	-	-	-	14,923,518	14,923,518
Public safety-police	-	-	-	2,265,378	2,265,378
Public safety-fire	-	-	-	537,774	537,774
Streets	-	-	15,018,807	8,982,044	24,000,851
Parks	-	-	737,438	5,762,853	6,500,291
Facilities	-	-	2,892,003	-	2,892,003
Debt service	-	1,612,369	-	-	1,612,369
Committed for:					
Community services	-	-	-	1,993,848	1,993,848
Community development	800,000	-	-	-	800,000
Public safety-police	-	-	-	81,215	81,215
Parks	-	-	-	6,693,993	6,693,993
Capital projects	-	-	5,467,015	-	5,467,015
Unassigned	21,309,816	-	-	-	21,309,816
Total Fund Balance	22,764,655	1,612,369	24,115,263	41,881,303	90,373,590
Total liabilities, deferred inflows of resources and fund balances	$ 31,308,130	$ 1,744,047	$ 25,978,290	$ 46,026,327	$ 105,056,794

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
As of September 30, 2020

Total fund balances - governmental funds	$ 90,373,590
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.	355,030,765
Certain receivables will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenues in the funds.	
Taxes	523,463
Franchise fees	654,818
Ambulance fees	155,755
Municipal court fees	98,640
Community activity center services	206,000
Leases	3,905
Two internal service funds are used by the Town's management. The assets and liabilities of the internal service fund are included with governmental activities, net of internal balances of ($385,747).	14,571,177
Deferred outflows (inflows) of resources are not reported in the governmental funds:	
Deferred charges on refundings	715,359
Pension contributions after measurement date	3,024,464
Pension difference in actual experience and actuarial assumptions	2,248,543
Pension investment income	(3,699,717)
Pension assumption losses	445,698
OPEB contributions after measurement date	17,409
OPEB difference in actual experience and actuarial assumptions	(592,431)
OPEB investment losses	274,696
Certain assets and liabilities are accrued in the government-wide statements. However, they are not accrued in the governmental fund statements.	
Accrued interest on the bonds	(238,697)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds payable	(22,215,000)
Certificates of obligation payable	(49,160,000)
Bond premium/discounts	(7,161,014)
Net pension payable	(14,563,468)
Compensated absences	(4,761,088)
OPEB payable	(2,706,796)
Net position of governmental activities	$ 363,246,071

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem	$ 38,826,947	$ 9,053,418	$ -	$ 6,606,311	$ 54,486,676
Sales	12,712,513	-	-	12,647,898	25,360,411
Franchise	5,638,407	-	-	173,993	5,812,400
Alcoholic beverage	216,980	-	-	-	216,980
Hotel occupancy	-	-	-	251,204	251,204
Licenses, permits and fees	2,694,880	-	-	1,100,701	3,795,581
Intergovernmental	1,127,880	-	-	3,062,370	4,190,250
Impact fees	-	-	1,306,334	-	1,306,334
Charges for services	3,234,904	-	-	58,422	3,293,326
Fines and forfeits	736,476	-	-	53,395	789,871
Investment earnings	363,901	66,852	374,802	423,740	1,229,295
Memorials and contributions	24,000	-	-	24,930	48,930
Other revenue	733,768	50,000	75,000	235	859,003
Total Revenues	66,310,656	9,170,270	1,756,136	24,403,199	101,640,261
EXPENDITURES					
Current -					
Town manager's office	3,431,410	-	-	-	3,431,410
Legislative services	496,250	-	-	-	496,250
Development services	2,075,770	-	-	-	2,075,770
Parks & recreation services	7,116,775	-	-	1,601,225	8,718,000
Library services	1,771,235	-	-	3,693	1,774,928
Police services	14,616,514	-	-	2,947,373	17,563,887
Financial services	3,686,956	-	-	32,936	3,719,892
Administrative services	6,396,212	-	-	-	6,396,212
Fire and emergency services	15,812,837	-	-	5,730,843	21,543,680
Communications	677,246	-	-	93,914	771,160
Public works	4,856,957	-	-	5,381,433	10,238,390
Environmental services	1,482,847	-	-	-	1,482,847
Debt service	-	11,977,313	-	-	11,977,313
Capital projects	-	-	17,516,366	-	17,516,366
Total Expenditures	62,421,009	11,977,313	17,516,366	15,791,417	107,706,105
Excess (deficiency) of revenues over (under) expenditures	3,889,647	(2,807,043)	(15,760,230)	8,611,782	(6,065,844)
OTHER FINANCING SOURCES (USES)					
Refunded bonds issued	-	3,150,000	-	-	3,150,000
Premium on bonds	-	494,019	-	-	494,019
Payment to escrow	-	(3,564,197)	-	-	(3,564,197)
Transfers in	2,608,842	2,906,725	5,000,114	189,750	10,705,431
Transfers out	(5,204,864)	-	-	(3,156,725)	(8,361,589)
Total Other Financing Sources and Uses	(2,596,022)	2,986,547	5,000,114	(2,966,975)	2,423,664
Net change in fund balances	1,293,625	179,504	(10,760,116)	5,644,807	(3,642,180)
Fund balances - beginning	21,471,030	1,432,865	34,875,379	36,236,496	94,015,770
Fund balances - ending	$ 22,764,655	$ 1,612,369	$ 24,115,263	$ 41,881,303	$ 90,373,590

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds	$(3,642,180)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures and do not reflect sales or transfers of capital assets. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense and gains and losses are recognized as they occur. (Additions of $27,188,076 and loss on disposals and transfers of $5,540,135.)	21,647,941
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	5,870,283
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(15,354,417)
The issuance of long term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond proceeds of $3,150,000 less repayments of $12,380,000, less amortization of deferred gain of $8,005, less discount of $321,993) is the net effect of these differences in the treatment of long-term debt and related items.	9,559,998
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(500,521)
Current year changes in the long term liability and related outflows (inflows) for pensions do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(1,984,775)
Current year changes in the long term liability and related outflows (inflows) for OPEB payables do not require the use of current financials resources; therefore, are not reported as expenditures in governmental funds.	(561,717)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	5,026
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(27,614)
Internal service funds are used by management to share the costs of certain activities, such as the purchase of insurance and vehicle and equipment replacements to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities, net of the amount allocated to business-type activities ($400,149).	641,277
Change in net position of governmental activities	$ 15,653,301

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,916,241	$ 7,231,713
Investments	4,856,266	8,721,512
Receivables (net of allowances for estimated uncollectibles):		
Accounts	3,847,822	322,439
Unbilled services	2,193,300	-
Prepaids	30,862	-
Inventories, at cost	539,822	-
Restricted:		
Cash and cash equivalents	44,655,922	-
Investments	6,561,438	-
Total current assets	69,601,673	16,275,664
Capital assets:		
Land	4,419,755	-
Buildings	53,624,020	-
Distribution system	243,026,762	-
Equipment	3,951,551	-
Construction in progress	24,967,543	-
Accumulated depreciation	(109,358,708)	-
Total capital assets(net of accumulated depreciation)	220,630,923	-
Total noncurrent assets	220,630,923	-
Total Assets	290,232,596	16,275,664
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges on refundings	344,293	-
Deferred outflows related to pensions	801,127	-
Deferred outflows related to OPEB	50,402	-
Total deferred outflow of resources	1,195,822	-
LIABILITIES		
Current liabilities:		
Accounts payable	4,354,825	400
Estimated health claims	-	1,318,340
Meter deposits	533,623	-
Salaries payable	195,596	-
Accrued bond interest	321,979	-
Retainage payable	871,428	-
Total current liabilities	6,277,451	1,318,740
Current liabilities payable from restricted assets:		
Current portion of accrued leave benefits	96,149	-
Current portion of contractual obligations	3,894,153	-
Current portion of general obligations	4,214,143	-
Total current liabilities payable from restricted assets	8,204,445	-
Total current liabilities	14,481,896	1,318,740
Noncurrent liabilities		
Accrued leave benefits	430,112	-
Net pension liability	1,964,658	-
OPEB payable	444,158	-
Contractual obligations	80,160,649	-
General obligation bonds	10,379,513	-
Total noncurrent liabilities	93,379,090	-
Total Liabilities	107,860,986	1,318,740
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions	579,453	-
Deferred inflows related to OPEB	127,725	-
Total deferred inflow of resources	707,178	-
NET POSITION		
Net investment in capital assets	146,438,852	-
Restricted for capital projects	24,814,356	-
Unrestricted	11,607,046	14,956,924
Total Net Position	$ 182,860,254	$ 14,956,924

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Enterprise Fund Statement of Net Position
to the Government-wide Statement of Net Position
As of September 30, 2020

Total net position- enterprise fund	$ 182,860,254
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	385,747
Total net position- business-type activities	$ 183,246,001

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for services	$ 46,247,373	$ 12,602,365
Penalties, fines and forfeits	352,953	-
Other	380,136	168,776
Total operating revenue	46,980,462	12,771,141
Operating expenses:		
Administration	5,638,137	-
Maintenance and operations	29,084,176	1,858,581
Depreciation	8,058,059	-
Health insurance and flexible benefits	-	10,074,520
Total operating expenses	42,780,372	11,933,101
Operating income	4,200,090	838,040
Nonoperating revenues (expenses):		
Interest income	643,619	188,386
Interest expense	(3,590,369)	-
Total nonoperating revenue (expenses)	(2,946,750)	188,386
Income before contributions and transfers	1,253,340	1,026,426
Contributions-developers	3,369,076	-
Contributions-impact fees	4,013,190	-
Contributions-other funds	470,027	-
Transfers in	-	15,000
Transfers out	(2,358,842)	-
Change in net position	6,746,791	1,041,426
Total net position - beginning	176,113,463	13,915,498
Total net position - ending	$ 182,860,254	$ 14,956,924

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Enterprise Funds to the Statement of Activities
For the Year Ended September 30, 2020

Net change in fund net position- enterprise funds	$	6,746,791
Amounts reported for business-type activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net revenue of certain internal service funds is reported with governmental activites. The amount shown represents the net revenue allocated to business-type activities.		400,149
Change in net position of business-type activities	$	7,146,940

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 47,925,876	$ -
Cash received from transactions with other funds	-	12,682,559
Cash paid to employees for services	(7,884,081)	-
Cash paid for goods and services	(24,359,707)	(5,805,279)
Cash paid for claims	-	(6,328,031)
Net cash provided by operating activities	15,682,088	549,249
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	15,000
Transfers to other funds	(2,358,842)	-
Net cash provided (used) by capital and related financing activities	(2,358,842)	15,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on bonds payable and certificates of obligation	(7,085,000)	-
Interest and fiscal charges	(3,756,604)	-
Proceeds from issuance of debt	9,050,736	-
Proceeds from impact fees	4,013,190	-
Bond issuance costs paid	(144,326)	-
Purchase of capital assets	(16,971,682)	-
Net cash provided (used) by capital and related financing activities	(14,893,686)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities	8,345,774	1,391,298
Purchase of investment securities	(3,080,880)	(2,082,155)
Interest received	643,619	188,386
Net cash provided (used) by investing activities	5,908,513	(502,471)
Net increase in cash and cash equivalents	4,338,073	61,778
Cash and cash equivalents, October 1	47,234,090	7,169,935
Cash and cash equivalents, September 30	$ 51,572,163	$ 7,231,713
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 4,200,090	$ 838,040
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	8,058,059	-
Change in assets and liabilities		
Decrease (Increase) in trade receivables	568,277	(88,581)
Decrease (Increase) in prepaids	(22,667)	-
Decrease (Increase) in unbilled receivables	369,573	-
Decrease (Increase) in inventory	34,204	-
Increase (Decrease) in deposits payable	(3,973)	-
Increase (Decrease) in pension liability	307,158	-
Increase (Decrease) in OPEB payable	68,929	-
Increase (Decrease) in accounts payable and accrued liabilities	2,102,438	(200,210)
Total adjustments	11,481,998	(288,791)
Net cash provided by operating activities	$ 15,682,088	$ 549,249
Noncash investing, capital, and financing activities:		
Contributions of capital assets from developers	$ 3,369,076	$ -
Long-term debt refunding	1,570,000	-
Transfer of capital assets from other funds	470,027	-

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Agency Fund
September 30, 2020

	River Walk Public Improvement District Number 1
ASSETS	
Cash and cash equivalents	$ 2,075,384
Total Assets	$ 2,075,384
LIABILITIES	
Due to debt holders	$ 2,075,384
Total Liabilities	$ 2,075,384

The notes to the financial statements are an integral part of this statement

THE TOWN OF
FLOWER MOUND
TEXAS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Flower Mound is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The accounting and reporting policies of the Town conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on these criteria, the financial information of the Flower Mound's Community Development Corporation has been blended with the Town's financial statements.

Blended Component Unit – Flower Mound's Community Development Corporation is a non-profit corporation that serves the citizens of the Town by improving municipal parks and recreational facilities through land acquisition and the development of parks. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the Town of Flower Mound, and the specific purposes for which the Corporation is organized, and with Town Council approval, may issue bonds on behalf of the Town and expend the proceeds of any sales and use tax levied for projects authorized by Section 4B of Article 5190.6 of the Texas Revised Civil Statutes, as amended, for land, building, equipment, facilities, and improvements required or suitable for use for public park purposes and events, including parks and park facilities, and the maintenance and operation expenses for any of the above described projects.

Because the services that the Community Development Corporation provides exclusive benefits to the Town and the Community Development Corporation operations are so intertwined with those of the Town, the Community Development Corporation is in substance a department of the Town and has been blended into the Town's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund, 4B Parks-Sales Tax Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. They contain information on all activities of the Town and its component units. As a general rule, most effects of inter-fund activity have been removed from these statements. Exceptions to this general rule are charges between the Town's utility function and various other functions of the Town and charges of the internal service funds to the enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported

separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or function/program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function/program; 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/program; 3) capital grants and contributions, including special assessments. Taxes and internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, and proprietary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental, proprietary and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue, as soon as, all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, as soon as, they are both measurable and available. Revenues are considered measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, franchise fees, licenses, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Town reports the following non-major governmental funds:

Special Revenue Funds – The Town's Special Revenue Funds are used to account for revenue sources that are designated to finance particular functions or activities or are legally restricted to expenditures for specified purposes, as follows:

- *Library Development Fund* – accounts for all monetary donations made to the Flower Mound Public Library.
- *Tax Increment Reinvestment Zone (TIRZ) Fund* – accounts for financial resources and expenditures relating to the reinvestment zone.
- *Park Development Fund* – accounts for all monetary contributions and payments to the Town by developers in lieu of the dedication of actual park land.
- *Tree Preservation Fund* – accounts for funds donated to and used by the Town to provide or support supplemental landscape plantings in public areas and enforce tree preservation regulations.
- *Public Education Government (PEG) Fund* – accounts for revenues derived from cable providers in Flower Mound per Section 66-006 of the Texas Utilities Code.
- *Street Maintenance-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are expended on reconstruction or rehabilitation of street projects.
- *Parks 4B-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used for park and recreation improvements.
- *Crime District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two police beats with staff, equipment and vehicles.
- *Fire District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two fire stations with personnel and equipment.
- *Flower Mound Log Cabin Fund* – accounts for donations and expenditures related to the restoration, maintenance, or repair of the cabin site and/or exhibits.
- *Police Seizure Fund* – accounts for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

- *IRS Equitable Sharing Fund* – accounts for funds received for participating with the IRS task force on criminal investigations and asset forfeitures of illegal activities in the North Texas area.

- *Justice Seizures Fund* – accounts for funds received from the DEA, the DOJ, the US Federal Marshal's office, etc.

- *Chapter 59 Seizures Fund* – accounts for funds that are being pursued in the state-level courts and are held until they are awarded as forfeiture or denied.

- *Animal Care Fund* – accounts for funds received by donation to be used for the care of animals at the animal adoption center.

- *SAFER Grant Fund* – accounts for revenues derived from grant funding for thirty additional firefighters. The funds are expended for grant related purposes.

- *CDBG-HUD Grant Fund* – accounts for revenues derived from the Department of Housing and Urban Development for a Community Development Block Grant and funds are expended for grant related purposes.

- *Grants Fund* – accounts for revenues derived from various granting agencies. The funds are expended for grant related purposes.

- *Neighborhood Improvement Fund* – promotes reinvestment in neighborhoods to maintain property values though a town-sponsored repair and replacement program.

- *COVID-19 Fund* – accounts for revenues received from various granting agencies. The funds are expended for COVID-19 purposes.

- *Hotel Occupancy Tax Fund* – accounts for the accumulation of resources from the Hotel/Motel tax assessment levied by the Town. These monies are to be spent to promote the progress, development or growth of the Town within the guidelines set forth on the Texas Hotel Occupancy Tax Act.

- *Municipal Court Security Fund* – accounts for municipal court fees assessed to provide for court security.

- *Municipal Court Technology Fund* – accounts for municipal court fees assessed to finance the purchase of technological enhancements for municipal court.

- *Municipal Court Jury Fund* – accounts for municipal court fees assessed to finance jury services.

- *Municipal Court Truancy Prevention Fund* – accounts for municipal court fees assessed to finance expenditures related to juvenile case manager.

The Town reports the following proprietary funds:

Enterprise Fund – The Town's Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. Activities of the fund include administration, operations and maintenance of the water, wastewater, and stormwater drainage systems and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Internal Service Funds – The Town's Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the Town.

- *Health Insurance and Flexible Benefit Fund* – accounts for revenues from premium charges to the departments and employee contributions for individual and dependent coverage in which expenses include claim payments, administrative costs, and reinsurance premiums for the health, dental and eye programs.

- *Vehicle, Equipment and Technology Replacement Fund* – accounts for the purchase of vehicles and equipment operated by the Town in which the departments pay monthly amounts to provide funds for future replacement capital outlay.

Additionally, the Town reports the following fiduciary fund:

Fiduciary Funds – The Town's Fiduciary Funds are used to account for resources held by the Town for the benefit of outside entities. Since these resources cannot be used to support the operations of the Town, they are not shown in the government-wide financial statements. The accounting of fiduciary funds is similar to that of proprietary funds.

- *Public Improvement District (PID) Debt Service Agency Fund* – accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town, as an agent for the Public Improvement District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The Town pools cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Trade and property tax receivables are shown net of an allowance for uncollectibles.

F. Property taxes

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the Town's property taxes.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2020, the Town had a tax margin of $2.0635 per $100 assessed valuation based upon the maximum rates described above.

G. Inventories

Inventories are accounted for by the consumption method. They are valued at weighted average cost and consist of automotive equipment, postage, meters and settings and gasoline purchased by the Town to use in its automobiles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

H. Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year. The purchasing method is used to account for prepaids.

I. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds and other amounts designated for capital improvements, as well as, certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. The Town defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. During the year ended September 30, 2020, no interest was capitalized by the Town.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings & Structures	20-45 years
Improvements other than Buildings	20-45 years
Utility Improvements	45 years
Vehicles	2-20 years
Machinery & Equipment	7-15 years
Furniture & Office Equipment	3-15 years
Bridges	45 years
Streets	20 years
Signals	10 years

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's total pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned but unused vacation, holiday time, comp time, and sick pay benefits. Upon retirement of employment, as defined by the Texas Municipal Retirement System, an employee who has completed a minimum of ten (10) years of continuous service with the Town, shall be eligible for pay for one-half (½) of accumulated sick leave, or three hundred and sixty (360) hours, whichever is less. All vacation pay, holiday time and comp time is accrued when incurred in the government-wide and proprietary fund financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For detail of deferred outflows see Note 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of

resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For detail of deferred inflows see Note 6.

O. Other Post-Employment Benefits

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

For purposes of measuring the total Retiree Health Care Plan OPEB liability as administered by the Town, related deferred outflows and inflows of resources, and expense, Town specific information about its total Retiree Health Care Plan liability and additions to/deductions from that liability have been determined on the same basis as reported by the Town. The expense and deferred (inflows)/outflows of resources related to are primarily the result from changes in the components of the total liability. Most changes in the total liability will be included in expense in the period of the change. For example, changes in the total liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in the expense immediately. Changes in the total liability that have not been included in the expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to Retiree Health Care Plan.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Q. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to

consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance or resolution. The non-spendable fund balance classification include amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the Town Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Town Council has the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

For the classification of Governmental Fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available.

The Town Charter requires that 10 percent of the general and utility fund budget be placed in reserves to be used in case of unforeseen items of expenditure. The reserve is under the control of the Town Manager and distributed after approval of the Town Council.

2. CASH AND INVESTMENTS

In order to facilitate effective cash management practices, the cash of all funds is pooled into common accounts for the purpose of increasing income through combined investment activities.

At year-end, the carrying amount of the Town's deposits was $1,156,884 and the bank balance was $1,625,144. Collateral is required for all of the Town's deposits and shall be secured by pledged collateral with a fair value of no less than 103 percent of the principal, plus accrued interest, less an amount insured by federal deposit insurance. The Town authorized that collateral be in the form of U.S. Treasury obligations (fully and unconditionally guaranteed as to principal and interest by the full faith and credit of the United States), obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or a Federal Home Loan Bank letter of credit and FDIC coverage. Bank deposits are fully insured, or collateralized, with securities held by the Town's agent in the Town's name. The Town had $115,278,544 invested in public funds investment pools included in this report as cash and cash equivalents.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m, or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The Town deposits collections from all sources in interest bearing accounts established for each fund. Excess cash may be invested in obligations of the U.S. Treasury, U.S. Agencies, fully collateralized repurchase agreements, eligible municipal investment pools, no-load money market funds (regulated by the Securities and Exchange Commission) and certificates of deposit. The Town's Investment Policy, which is governed by state statutes and Town resolution, authorizes the investment instruments previously listed. The investments reported at September 30, 2020, were similar to those held during the fiscal year.

The Town has adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB 31). Investments that have a remaining maturity at the time of purchase in excess of one year are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal securities and repurchase agreements.

The Town has investments in government pools at September 30, 2020 totaling $115,278,544, which are recorded at amortized cost.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2020, the Town has investments of $60,098,966 (Level 2 inputs) valued by a pricing service which uses an estimation process that values securities at the closing price reported on the active market on which the individual securities are traded.

At September 30, 2020, the Town had the following cash equivalents and investments:

	Fair Value	Weighted Avg Maturity (Days)
Primary Government:		
State Wide Investment Pools	$ 115,278,544	37
Treasuries	19,997,973	38
Federal Agencies	40,100,993	190
Total Primary Government	$ 175,377,510	48

The amounts for the Investment Pools (Texpool and Texstar) are included for financial reporting purposes in cash and cash equivalents. The Investment Pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Town's investment policy establishes the portfolio's maximum average dollar-weighted maturity, per pooled fund group, is 365 days for the operating funds, 180 days for the debt service funds, 730 days for the debt service reserve fund, 90 days for the special revenue funds and 365 days for the capital project funds.

Credit risk. The Town's investment policy, in conjunction with State law, specifies the type of credit rating of all authorized investments. The Town's investments in U.S. Agency securities include Federal Home Loan Mortgage Corporation (FHLMC) security, which is rated AAA by Standard's & Poor's and Aaa by Moody's Investors Service. On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed as conservator of FNMA and FHLMC. The obligations of the agencies will be paid in the normal course of business during the conservatorship. The Treasury Department, through a secured lending credit facility and a senior preferred stock purchase agreement, has significantly enhanced the ability of FNMA and FHLMC to meet their obligations. FHFA does not anticipate that there will be any disruption in FNMA and FHLMC's pattern of payments or ongoing business operations. The investments in TexPool and TexStar carry a rating of AAAm by Standard and Poor's.

Concentration of credit risk. With the exception of U.S. Treasury securities and certificates of deposit, the Town's investment policy limits the amount that may be invested in any one issuer to a percentage of the total investment portfolio, 75% in U.S. Agencies, 70% in local government investment pools and 10% in local government obligations. As of September 30, 2020, 5% or more of the Town's total investments are in the following: TexPool (37.09%), TexStar (28.07%), Federal Agency (22.62%) and Treasury Securities (11.31%), on a fair value basis.

3. RECEIVABLES

Receivables at September 30, 2020, for the Town's individual major funds and other funds (non-major funds, internal service funds), in the aggregate, including the applicable allowances for uncollectible accounts, are shown below.

	General	Debt Service	Capital Projects	Utilities	Other Funds
Receivables					
Taxes	$ 472,392	$ 144,624	$ -	$ -	$ -
Accounts	2,665,407	-	-	4,696,293	333,381
Franchise fees	1,693,650	-	-	-	40,396
Unbilled services	-	-	-	2,193,300	-
Accrued interest	103,576	-	-	-	-
Intergovernmental	11,448	-	37,978	-	548,705
Other taxes	2,148,613	-	-	-	2,097,530
Gross receivables	7,095,086	144,624	37,978	6,889,593	3,020,012
Less: allowance	(1,499,928)	(3,074)	-	(848,471)	-
Net total receivables	$ 5,595,158	$ 141,550	$ 37,978	$ 6,041,122	$ 3,020,012

Governmental funds report unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue are reported as deferred inflows and unearned revenue are reported as a liability. The details of unavailable are shown below.

	Unavailable
Delinquent property taxes receivable (general fund)	$ 397,735
Municipal court receivable (general fund)	98,640
Franchise fee receivable (general fund)	654,818
Ambulance revenues (general fund)	155,755
Community Activity Center accounts receivable (general fund)	206,000
Leases (general fund)	3,905
Delinquent property taxes receivable (debt service fund)	125,728
	$ 1,642,581

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables at September 30, 2020 is as follows:

Due to Fund	Due From Fund	Amount	Purpose
Nonmajor Governmental	Nonmajor Governmental	$464,264	Short-term funding-intergovernmental receivable
	Total	$464,264	

There was an interfund balance at September 30, 2020 between the Street Maintenance Fund and the following funds: SAFER Grant, the CDBG Grant, the Grants and the COVID 19 Fund for $464,264. These interfund balances are due to timing of receipts for amounts spent in advance.

Transfers between funds during the year were as follows:

Transfers From	Transfers To	Amount	Reason
Utility Fund	General Fund	$ 2,358,842	Administrative transfer
Nonmajor Governmental Fund	General Fund	250,000	CDC operation & maintenance
General Fund	Capital Projects Fund	150,000	Sidewalk links program
General Fund	Capital Projects Fund	115,000	Street Light program
General Fund	Capital Projects Fund	150,000	ADA Transition project
General Fund	Capital Projects Fund	70,000	Bruton Orand @ FM 1171 Turn Lane project
General Fund	Capital Projects Fund	590,000	East Waketon Rd Drainage Improvement project
General Fund	Capital Projects Fund	300,000	FM 2499 @ Chaparral Signal project
General Fund	Capital Projects Fund	315,000	Garden Ridge Through Lane project
General Fund	Capital Projects Fund	710,000	Peters Colony Roundabout project
General Fund	Capital Projects Fund	57,114	Signal Pole Replacement
General Fund	Capital Projects Fund	90,000	Roadway Amenities project
General Fund	Capital Projects Fund	125,000	Traffic Detection Rehabilitation project
General Fund	Capital Projects Fund	350,000	US 377 Cladding project
General Fund	Capital Projects Fund	1,978,000	Rippy Road project
Nonmajor Governmental Fund	General Debt Service Fund	271,250	Twin Coves park
Nonmajor Governmental Fund	General Debt Service Fund	1,236,425	New Town Hall
Nonmajor Governmental Fund	General Debt Service Fund	1,399,050	Library Project
General Fund	Internal Service Fund	15,000	Retiree subsidy
General Fund	Nonmajor Governmental Fund	9,770	Bulletproof Vest Grant match
General Fund	Nonmajor Governmental Fund	3,541	STEP Grant match
General Fund	Nonmajor Governmental Fund	176,439	SAFER Grant match
		$ 10,720,431	

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended September 30, 2020, are summarized as follows:

Governmental activities:	Balance at October 1, 2019	Additions	Retirements/ Transfers	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	$ 32,065,696	$ -	$ 3,717,263	$ 35,782,959
Construction in progress	64,224,552	24,011,468	(34,944,546)	53,291,474
Total capital assets not being depreciated	96,290,248	24,011,468	(31,227,283)	89,074,433
Capital assets being depreciated:				
Buildings	71,781,164	1,021,485	18,279,958	91,082,607
Streets and bridges	414,991,123	6,013,371	5,342,412	426,346,906
Improvements	46,524,758	79,252	(803,781)	45,800,229
Equipment	26,477,457	1,932,783	(2,724,199)	25,686,041
Total capital assets being depreciated	559,774,502	9,046,891	20,094,390	588,915,783
Less accumulated depreciation for:				
Buildings	21,392,109	1,725,129	(1,280,665)	21,836,573
Streets and bridges	263,679,868	9,430,800	-	273,110,668
Improvements	15,723,982	1,867,547	(2,601,861)	14,989,668
Equipment	12,401,833	2,330,941	(1,710,232)	13,022,542
Total accumulated depreciation	313,197,792	15,354,417	(5,592,758)	322,959,451
Total capital assets, being depreciated, net	246,576,710	(6,307,526)	25,687,148	265,956,332
Governmental activities capital assets, net	$ 342,866,958	$ 17,703,942	$ (5,540,135)	$ 355,030,765

Business-type activities:	Balance at October 1, 2019	Additions	Retirements/ Transfers	Balance at September 30, 2020
Capital assets not being depreciated:				
Land	$ 4,419,755	$ -	$ -	$ 4,419,755
Construction in progress	11,408,950	16,620,281	(3,061,688)	24,967,543
Total capital assets not being depreciated	15,828,705	16,620,281	(3,061,688)	29,387,298
Capital assets being depreciated:				
Buildings	53,279,814	344,206	-	53,624,020
Distribution System	236,595,997	3,369,077	3,061,688	243,026,762
Equipment	3,775,676	477,222	(301,347)	3,951,551
Total capital assets being depreciated	293,651,487	4,190,505	2,760,341	300,602,333
Less accumulated depreciation for:				
Buildings	20,454,902	1,177,755	-	21,632,657
Distribution System	79,013,330	6,530,274	-	85,543,604
Equipment	2,111,814	350,030	(279,397)	2,182,447
Total accumulated depreciation	101,580,046	8,058,059	(279,397)	109,358,708
Total capital assets, being depreciated, net	192,071,441	(3,867,554)	3,039,738	191,243,625
Business-type activities capital assets, net	$ 207,900,146	$ 12,752,727	$ (21,950)	$ 220,630,923

Business-type activities include $16,620,281 of the total $20,810,785 in additions of capital assets acquired through the use of debt.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Development services	$ 16,928
Community services	2,816,764
Police services	964,141
Financial services	352,066
Fire and emergency services	1,280,720
Communications	28,826
Infrastructure services	9,894,972
Total depreciation expense-governmental activities	$ 15,354,417

Outstanding commitments at September 30, 2020, under authorized construction contracts were approximately $10,325,504. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources on the government-wide statement of net position are comprised of the following items:

Deferred Charges on Refundings

- Loss on refundings – difference in the carrying value of refunded debt and its reacquisition price. Additions result from any deferred losses on current fiscal year refunding's. A reduction is the amount that is amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows and Inflows Related to Pensions and OPEB

- Contributions after measurement date – Town contributions made from the evaluation date, December 31st to the fiscal year end, which are deferred and recognized in the following fiscal year.
- Difference in actual experience and actuarial assumption – difference in the actuarial economic and demographic assumptions and actual experience on liabilities. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Changes in actuarial assumption – difference arising due to assumption changes. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Investment gains/losses – difference in projected and actual earning on assets. The loss is deferred and amortized over a closed 5 year period.

A summary of changes in deferred outflows and inflows of resources is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Deferred amounts:				
Loss on refundings	$ 707,354	$ 127,678	$ (119,673)	$ 715,359
Pension contributions after measurement date	2,863,828	3,024,284	(2,863,648)	3,024,464
Pension difference in actual experience and actuarial assumptions	2,061,257	187,286	-	2,248,543
Pension investment gains/losses	5,552,556	-	(9,252,273)	(3,699,717)
Pension assumption gains/losses	310,333	135,365	-	445,698
OPEB contributions after measurement date	27,831	42,117	(52,539)	17,409
OPEB difference in actual experience and actuarial assumptions	(412,257)	676,033	(856,207)	(592,431)
OPEB assumption gains/losses	73,973	282,714	(81,991)	274,696
Business-type activities:				
Deferred amounts:				
Loss on refundings	$ 581,889	$ -	$ (237,596)	$ 344,293
Pension contributions after measurement date	403,215	426,023	(403,395)	425,843
Pension difference in actual experience and actuarial assumptions	287,290	26,382	-	313,672
Pension investment gains/losses	723,890	-	(1,303,343)	(579,453)
Pension assumption gains/losses	42,544	19,068	-	61,612
OPEB contributions after measurement date	3,850	6,187	(8,748)	1,289
OPEB difference in actual experience and actuarial assumptions	(98,115)	141,693	(171,303)	(127,725)
OPEB assumption gains/losses	19,889	46,402	(17,178)	49,113

7. LONG TERM DEBT

On June 16, 2020, the Town issued $7,910,000 in Certificates of Obligation Series, 2020, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

The Town Council authorized an ordinance on June 16, 2020 to issue $4,535,000 in General Obligation Refunding Bonds Series, 2020, to defease or refund a portion of the Town's outstanding debt in order to reduce the overall debt service requirements of the Town and to pay the costs of issuance. This series refunds Certificates of Obligations Series 2009 and Series 2010, for $1,740,000 for years maturing 2021 through 2029 and $3,315,000 for years maturing 2021 through 2030, respectively. The net proceeds from the sale of the bonds were used to purchase U.S. Government securities and those securities were deposited with an escrow agent to provide debt service payments until the bonds are called. Such refunded bonds are no longer payable from the net revenue of the Town of Flower Mound, but are payable solely from principal and interest on federal securities held for such purpose by the escrow agent. The reacquisition price exceeded the net carrying amount of the old debt by $270,286. This refunding was undertaken to reduce total debt service payments by $643,410 and resulted in an economic gain of $626,520.

Governmental Activities:

Long-term debt of the Town consists of general obligation bonds, certificates of obligation, and obligations under compensated absence agreements. General obligation bonds and certificates of obligation retirement is provided from the debt service tax, together with interest earned within the Debt Service Fund.

The Town's outstanding general obligation bonds are as follows:

Series	Outstanding
2010 Refunding	$ 860,000
2012 Refunding	2,240,000
2013 Refunding	210,000
2014 Refunding	2,845,000
2014A Refunding	6,520,000
2016 Refunding	6,390,000
2020 Refunding	3,150,000
	$ 22,215,000

The debt service requirements of general obligation bonds are as follows:

Due Fiscal Year Ending	Principal General Obligation Bonds	Interest	Total
2021	$ 4,785,000	$ 863,944	$ 5,648,944
2022	4,025,000	675,294	4,700,294
2023	3,200,000	522,631	3,722,631
2024	3,010,000	389,334	3,399,334
2025	2,725,000	254,000	2,979,000
2026-2030	4,470,000	247,375	4,717,375
Total	$ 22,215,000	$ 2,952,578	$ 25,167,578

The Town's outstanding certificates of obligation are as follows:

Series	Outstanding
2013	$ 2,180,000
2014	355,000
2015	2,325,000
2015A	3,285,000
2016	3,330,000
2017	6,640,000
2017A	11,855,000
2018	7,545,000
2018A	5,765,000
2019	5,880,000
	$ 49,160,000

The debt service requirements of certificates of obligation are as follows:

Due Fiscal Year Ending	Principal Certificates of Obligation	Interest	Total
2021	$ 3,775,000	$ 1,872,250	$ 5,647,250
2022	3,885,000	1,770,775	5,655,775
2023	3,985,000	1,659,450	5,644,450
2024	4,130,000	1,520,131	5,650,131
2025	4,285,000	1,371,663	5,656,663
2026-2030	12,965,000	4,713,615	17,678,615
2031-2035	10,975,000	2,239,304	13,214,304
2035-2039	5,160,000	286,100	5,446,100
Total	$ 49,160,000	$ 15,433,288	$ 64,593,288

Business-type Activities:

Utility long-term debt of the Town consists of general obligation bonds and certificates of obligation. Retirement is provided primarily from the revenues or earnings of the Town's Utility Fund.

The Town's Utility System's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Refunding	$ 2,205,000
2013 Refunding	195,000
2014 Refunding	450,000
2014A Refunding	620,000
2016 Refunding	6,395,000
2017 Refunding	1,675,000
2020 Refunding	1,385,000
	$ 12,925,000

The debt service requirements of the Utility System's general obligation bonds are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2021	$ 3,880,000	$ 510,738	$ 4,390,738
2022	1,475,000	352,650	1,827,650
2023	1,535,000	289,925	1,824,925
2024	1,610,000	223,644	1,833,644
2025	1,245,000	158,725	1,403,725
2026-2030	3,180,000	197,350	3,377,350
Total	$ 12,925,000	$ 1,733,032	$ 14,658,032

The Town's Utility System's outstanding certificates of obligation are as follows:

Series	Outstanding
2011	$ 2,220,000
2012	4,635,000
2013	6,415,000
2014	11,210,000
2015A	6,155,000
2016	7,235,000
2017A	7,535,000
2018A	3,630,000
2019	19,885,000
2020	7,910,000
	$ 76,830,000

The debt service requirements of the Utility System's certificates of obligation are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2021	$ 3,480,000	$ 3,012,256	$ 6,492,256
2022	3,675,000	2,824,691	6,499,691
2023	3,835,000	2,672,603	6,507,603
2024	3,980,000	2,520,563	6,500,563
2025	4,120,000	2,377,294	6,497,294
2026-2030	23,210,000	9,274,557	32,484,557
2031-2035	23,660,000	4,226,366	27,886,366
2035-2040	10,870,000	674,348	11,544,348
Total	$ 76,830,000	$ 27,582,678	$ 104,412,678

A summary of changes in long-term liabilities for the year ended September 30, 2020 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 23,940,000	$ 3,150,000	$ (4,875,000)	$ 22,215,000	$ 4,785,000
Certificates of obligations	56,665,000	-	(7,505,000)	49,160,000	3,775,000
Bond premiums/discounts	7,483,008	462,678	(784,672)	7,161,014	834,074
Total bonds payable	88,088,008	3,612,678	(13,164,672)	78,536,014	9,394,074
Compensated absences	4,260,567	762,030	(261,509)	4,761,088	985,942
OPEB Liability	2,330,650	1,124,079	(747,933)	2,706,796	-
Net Pension Liability	21,151,981	9,492,876	(16,081,389)	14,563,468	-
Governmental activity Long-term liabilities	$ 115,831,206	$ 14,991,663	$ (30,255,503)	$ 100,567,366	$ 10,380,016
Business-type activities:					
General obligation bonds	$ 15,435,000	$ 1,385,000	$ (3,895,000)	$ 12,925,000	$ 3,880,000
Certificates of obligations	73,680,000	7,910,000	(4,760,000)	76,830,000	3,480,000
Bond premiums/discounts	8,192,164	1,348,226	(646,932)	8,893,458	748,296
Total bonds payable	97,307,164	10,643,226	(9,301,932)	98,648,458	8,108,296
Compensated absences	484,107	58,163	(16,009)	526,261	96,149
OPEB Liability	378,174	215,984	(150,000)	444,158	-
Net Pension Liability	2,892,765	1,337,237	(2,265,344)	1,964,658	-
Business-type activity Long-term liabilities	$ 101,062,210	$ 12,254,610	$ (11,733,285)	$ 101,583,535	$ 8,204,445

Compensated absences payables are based on the assignment of an employee within a fund. Other postemployment benefits are liquidated from the Health Insurance and Flexible Benefit internal service fund, with the retiree subsidy amounts paid by the General Fund.

8. RISK MANAGEMENT

Effective January 1, 1993, the Town established a partially self-funded trust plan which offers medical, dental, vision, long-term life insurance and disability coverage to employees and their dependents. The Town maintains excess loss insurance which limits annual claims paid from the plan to a maximum of $150,000 for any individual claim and an aggregate amount of 125% of expected claims. Blue Cross Blue Shield of Texas, a third-party administrator, is employed by the plan to administer claims. Trustees have been appointed to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded in an Internal Service Fund. Revenue is recognized from employee payroll deductions and from Town contributions for employee and dependent coverage.

Changes in the claims liability amount were:

	2020	2019
Unpaid claims at beginning of fiscal year	$1,248,347	$1,623,565
Claims incurred and changes in estimates	6,398,024	5,616,849
Payments	(6,328,031)	(5,992,067)
Unpaid claims at end of fiscal year	$1,318,340	$1,248,347

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The Town retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The Town is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the Town is divided into the following types: real and personal property, mobile equipment, boiler and machinery, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage, automobile catastrophe, crime, public official liability, and employee benefits liability.

9. TAX ABATEMENTS

The Town enters into economic development agreements designed to promote development and redevelopment within the Town, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the Town. These programs rebate or abate property, sales and hotel taxes and also include incentive payments and/or reduction in fees that are not tied to taxes. The Town's Economic Development Agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 312 (Property Redevelopment and Tax Abatement Act), and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code.

The Town has three categories of economic development agreements:

- Tax Abatements - Property taxes can be abated starting at 20% and is negotiable for up to 10 years. The amount rebated is dependent on the minimum capital investment, the total number of full-time equivalents added to the local workforce, annual salaries of those employees, and environmentally conscious efforts. For fiscal year ending September 30, 2020, the Town abated $97,291,817 in real and/or personal property value, resulting in $424,679 in abated taxes.

- General Economic Development – The Town enters into economic development agreements under Chapter 380 of the Texas Local Government code to stimulate economic development. These agreements authorize the rebate of varying percentages of real and/or personal property taxes, a portion impact fees, permit waivers, or other expenses related to relocation costs, tenant finish-outs, and infrastructure. For fiscal year ending September 30, 2020, the Town rebated $216,734 in property taxes and $88,318 in sales taxes.

- Tax Increment Financing – The Town has one active Tax Increment Reinvestment Zone (TIRZ #1) under Chapter 311 of the Texas Tax Code. The TIRZ #1 2020 Annual Report identified an ending balance of $14,923,518, after total revenue of $6,748,507 and total expenditures of $5,070,021.

All incentive agreements (Chapter 380 and Tax Abatement Agreements) contain repayment (recapture) language, requiring the incentive recipient to refund the incentives if the recipient does not meet their contractual obligations outlined in the agreement. Obligations of incentive recipients vary, but typically include a timing deadline with regard to completion of construction, a deadline to receive a certificate of occupancy for the facility being incentivized, a minimum number of jobs (if the business is known), or a minimum taxable value, etc. Incentive recipients are to be notified of the default of their performance and given the opportunity to cure the default within a defined timeframe. If the default cannot be cured, then the recipient shall repay the amount of the incentive to the Town.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the Town's financial position, result of operations, or cash flows.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Town contracts with the Upper Trinity Regional Water District (UTRWD), a conservation and reclamation district whereby the District finances, constructs, operates and maintains water treatment facilities for the benefit of the Town. Under the current contract (which expires May 2022 or when the Bonds issued by UTRWD for the system have been paid in full, whichever is later) the Town agrees to purchase an agreed upon minimum of wholesale treated water service for resale at the rate established annually by UTRWD based on the Town's proportionate share of the annual requirement, and the Town is unconditionally liable to purchase the annual minimum regardless of the needs of the Town. The Town made $17,538,849 in payments to UTRWD in the current fiscal year.

On February 22, 2011 Trinity River Authority of Texas (TRA), issued $4,735,000 of Town of Flower Mound Wastewater Transportation Contract Revenue Bonds, Series 2011 maturing August 1, 2030, for the purpose of design, acquisition and construction of the Town's portion of the Graham Branch Wastewater Transportation System Phase II. The project consists of a lift station and force main used to transport wastewater from the towns of Flower Mound, Argyle, and Northlake to the TRA Denton Creek Regional Wastewater System. TRA will acquire, construct, own, and operate the facilities. The Town is responsible to pay monthly installments equal to the annual payment sufficient for TRA to meet its bond service requirements. In addition to these payments the Town is separately contracted to pay operation and maintenance costs of the project. The Town made $859,738 in payments to TRA in the current fiscal year.

11. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town of Flower Mound participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that can be obtained at *www.tmrs.com*.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the Town Council, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death benefits, and disability benefits. Effective January 1, 2002, members are vested after 5 years.

A Summary of plan provisions adopted by the Town as of December 31, 2019 is as follows:

Employee deposit rate	7.0%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (age / years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase to retirees	0% of Consumer Price Index (CPI)

Employees covered by benefit terms:

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to but not yet receiving benefits	451
Active Employees	609
	1,306

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the town. Under the state law governing TMRS, the contribution rate for each town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town of Flower Mound were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 10.67% and 10.77% in calendar years 2019 and 2020, respectively. The Town's contributions to TMRS for the year ended September 30, 2020, were $4,486,154, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019-2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	$ 144,558,082	$ 120,513,335	$ 24,044,747
Changes for the year:			
Service cost	6,054,483	-	6,054,483
Interest	9,813,806	-	9,813,806
Difference between expected and actual experience	1,679,595	-	1,679,595
Changes of assumptions	658,746	-	658,746
Contributions- employer	-	4,340,811	(4,340,811)
Contributions- employee	-	2,844,388	(2,844,388)
Net investment income	-	18,646,488	(18,646,488)
Benefits payments, including refunds of employee contributions	(4,391,201)	(4,391,201)	-
Administrative expense	-	(105,274)	105,274
Other changes	-	(3,162)	3,162
Net Changes	$ 13,815,429	$ 21,332,050	$ (7,516,621)
Balance at 12/31/2019	$ 158,373,511	$ 141,845,385	$ 16,528,126

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as, what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate (6.75%)	1% Increase in Discount Rate
Town's net pension liability	$ 41,054,176	$ 16,528,126	$ (3,571,186)

Pension plan fiduciary net position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at *www.tmrs.com*.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2020, the Town recognized pension expense of $7,011,705.

At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 2,562,215	$ -
Difference between projected and actual investment earnings	-	4,279,170
Contributions subsequent to the measurement date	3,450,307	-
Changes in Actuarial assumptions	507,310	-
Total	$ 6,519,832	$ 4,279,170

$3,450,307 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended September 30,	
2021	$ 60,258
2022	(277,711)
2023	922,033
2024	(1,914,225)
Total	$ (1,209,645)

12. OTHER POST-EMPLOYMENT BENEFITS

TMRS Supplemental Death Benefits Fund

Plan Description

The Town voluntarily participates in a single-employer other post-employment benefit (OPEB) plan administered by TMRS. The plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the Town's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided

The SDBF provides group-term life insurance to Town employees who are active members in TMRS, including or not including retirees. The Town Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death

benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	161
Inactive employees entitled to but not yet receiving benefits	80
Active employees	609
Total	850

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rates were 0.13% and 0.14% for 2019 and 2020, respectively. 0.01% and 0.02% of the contractually required rates for 2019 and 2020, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the SDBF for the years ended September 30, 2020 and 2019 were $57,411 and $50,569, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions and Other Inputs

The total SDBF OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Entry age normal
Discount rate	2.75 %
Projected salary increases	3.50% to 11.5% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are accounted for under the reporting requirements under GASB Statement No. 68.

Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to floor.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. These were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 2.75% was used to measure the total OPEB liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.75%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (2.75%)	1% Increase in Discount Rate
Total OPEB Liability	$ 1,762,354	$ 1,425,395	$ 1,166,169

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $1,425,395 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2020, the Town recognized OPEB expense of $141,113. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	$ 1,206,676
Changes for the year:	
Service cost	65,015
Interest	45,898
Change of benefit terms	-
Difference between expected and actual experience	(143,228)
Changes of assumptions and other inputs	255,097
Benefit payments	(4,063)
Net changes	218,719
Balance at 12/31/2019	$ 1,425,395

Changes in assumptions and other inputs reflect a change in the discount rate from 3.71% to 2.75% and the changes in actuarial assumptions adopted in 2019.

At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 61,827
Changes in actuarial assumptions	209,643	-
Contributions subsequent to the measurement date	41,890	-
Totals	$ 251,533	$ 61,827

$41,890 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2021. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2021	$ 30,200
2022	30,200
2023	30,200
2024	29,184
2025	15,751
Thereafter	12,281
Total	$ 147,816

Retiree Health Care Plan

Plan Description

The Town provides health care benefits through a single-employer defined benefit healthcare plan for all regular full-time employees who retire after December 31, 2006 and meet minimum retirement age of 60 and have been employed by the Town for five years continuously prior to retirement or have twenty years or more of service at any age.

Benefits Provided

The Retiree Health Care Plan provides medical and dental coverage for those employees that meet the eligibility requirements and opt into the plan at retirement. Employees who become disabled are not eligible for retiree health care benefits. The spouse of a current employee can continue to receive coverage when the employee retires if the spouse was covered at the time of retirement, and the retiring employee meets the previously outlined criteria for continued coverage, and the retiring employee continues to elect (and pay for) coverage for the dependent at open enrollments. The spouses of all future retirees can continue to receive coverage under

these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the health care plan are not eligible to opt back in. Survivors of employees who die while actively employed are not eligible for retiree health care benefits, unless the employee was a Public Safety Officer.

The number of employees currently covered by the benefit terms is as follows:

Retirees and Beneficiaries	11
Inactive, Nonretired Employees	-
Active Employees	535
Total	546

Contributions

Currently the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. Beginning January 1, 2015, the contribution rates for retirees and their dependents is based upon the retiree premium rates as developed in the most recent actuarial valuation report of the Town's retiree health care plan. Retiree contribution rates for fiscal year 2019-2020 ranged from $799.77 to $1,444.40 per month depending on coverage levels selected. There are two retirees whose contribution rate is $150.55 per month for employee plus family dental and vision coverage only, two retirees whose contribution rate is $47.05 for employee only dental and vision coverage and one retiree whose contribution rate is $94.10 per month for employee plus spouse dental and vision coverage only.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Individual Entry Age
Discount rate	2.75% as of December 31, 2019
Projected salary increases	3.50% to 11.5% including inflation

Administrative expenses for the Retiree Health Care Plan are recognized on a pay-as you-go basis.

Mortality rates for healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate rates of scale MP-2014 to account for future mortality improvements.

Health Care trend rates were estimated using an initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.

Participation rates assumed that 15% of those eligible for a service-based subsidy and 0% of those without a service-based subsidy would elect coverage. It was assumed no employees would maintain their health coverage through the Town's plan if they retire prior to age 50, except those retiring through TMRS disability retirement. All retirees are assumed to discontinue coverage upon reaching eligibility for Medicare.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).

Discount Rate

Because the Retiree Health Care plan is essentially a "pay-as-you-go" plan and does not have formal assets, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.75%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (2.75%)	1% Increase in Discount Rate
Total OPEB Liability	$ 1,899,257	$ 1,725,559	$ 1,569,025

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the healthcare trend rate used was 1% less than and 1% greater than the healthcare trend rate that was used (7.20%) in measuring the total OPEB liability.

	1% Decrease in Health Care Trend Rate	Current Health Care Trend Rate Assumption	1% Increase in Health Care Trend Rate
Total OPEB Liability	$ 1,538,553	$ 1,725,559	$ 1,950,705

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $1,725,559 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2020, the Town recognized OPEB expense of $60,242. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	$ 1,502,148
Changes for the year:	
Service cost	72,917
Interest	57,328
Change of benefit terms	-
Difference between expected and actual experience	(59,278)
Changes of assumptions and other inputs	139,212
Benefit payments	13,232
Net changes	223,411
Balance at 12/31/2019	$ 1,725,559

Changes in assumptions and other inputs reflect a change in the discount rate from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019 and revised TMRS demographic and salary increase assumptions.

At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 86,278	$ 830,663
Changes in actuarial assumptions	200,871	649
Contributions subsequent to the measurement date	-	23,192
Totals	$ 287,149	$ 854,504

$23,192 reported as deferred inflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a decrease of the total OPEB liability for the year ending September 30, 2021. A decrease will occur occasionally due to this being a self-funded plan and the small number of retirees on the plan. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2021	$(70,003)
2022	(70,003)
2023	(70,003)
2024	(70,003)
2025	(70,003)
Thereafter	(194,148)
Total	$(544,163)

13. NEW FINANCIAL REPORTING REQUIREMENTS

The GASB issued the following statements which became effective for fiscal year 2020 but had no significant impact for the Town.

Statement No. 83, “Certain Asset Retirement Obligations.”

Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.”

14. SUBSEQUENT EVENTS

The Town has evaluated events and transactions for potential recognition or disclosure through February 24, 2021, the date the financial statements were available to be issued, and the Town has found no significant events to disclose.

Town of Flower Mound, Texas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	$ 58,265,545	$ 58,265,545	$ 57,394,847	$ -	$ 57,394,847	$(870,698)
Licenses, permits and fees	2,692,275	2,692,275	2,694,880	-	2,694,880	2,605
Intergovernmental	604,615	544,615	1,127,880	-	1,127,880	583,265
Charges for services	4,824,905	4,824,905	3,234,904	-	3,234,904	(1,590,001)
Fines and forfeits	1,090,807	1,090,807	736,476	-	736,476	(354,331)
Investment earnings	121,000	121,000	363,901	-	363,901	242,901
Memorials and contributions	4,500	28,500	24,000	-	24,000	(4,500)
Other revenue	602,564	602,564	733,768	-	733,768	131,204
Total Revenues	68,206,211	68,170,211	66,310,656	-	66,310,656	(1,859,555)
EXPENDITURES						
Town manager's office	3,927,004	4,770,474	3,431,410	20,487	3,451,897	1,318,577
Legislative services	510,208	510,208	496,250	1,918	498,168	12,040
Development services	2,127,008	2,158,831	2,075,770	(6,002)	2,069,768	89,063
Parks & recreation services	8,871,658	8,912,898	7,116,775	94,864	7,211,639	1,701,259
Library Services	1,822,733	1,820,233	1,771,235	1,023	1,772,258	47,975
Police services	15,864,773	16,073,373	14,616,514	(166,245)	14,450,269	1,623,104
Financial services	3,772,971	3,867,744	3,686,956	(5,910)	3,681,046	186,698
Administrative services	6,732,421	6,814,023	6,396,212	79,516	6,475,728	338,295
Fire and emergency services	17,270,697	17,062,341	15,812,837	46,400	15,859,237	1,203,104
Communications	707,671	707,671	677,246	-	677,246	30,425
Public works	4,769,481	5,243,396	4,856,957	115,091	4,972,048	271,348
Environmental services	1,580,361	1,580,361	1,482,847	(23,450)	1,459,397	120,964
Total Expenditures	67,956,986	69,521,553	62,421,009	157,692	62,578,701	6,942,852
Excess (deficiency) of revenues over (under) expenditures	249,225	(1,351,342)	3,889,647	(157,692)	3,731,955	5,083,297
OTHER FINANCING SOURCES (USES)						
Transfers in	2,608,842	2,608,842	2,608,842	-	2,608,842	-
Transfers out	(6,595,996)	(6,595,996)	(5,204,864)	-	(5,204,864)	1,391,132
Total other financing sources and uses	(3,987,154)	(3,987,154)	(2,596,022)	-	(2,596,022)	1,391,132
Net change in fund balances	(3,737,929)	(5,338,496)	1,293,625	(157,692)	1,135,933	6,474,429
Fund balances - beginning	21,471,030	21,471,030	21,471,030	-	21,471,030	-
Fund balances - ending	$ 17,733,101	$ 16,132,534	$ 22,764,655	$(157,692)	$ 22,606,963	$ 6,474,429

TOWN OF FLOWER MOUND, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

The Town adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The Town is required to present the adopted and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures. The General Fund budget appears on page 79 and other informational budgets are presented in the individual fund statements.

The Town Manager submits to the Town Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for all funds of the Town. At the meeting of the Town Council at which the budget is submitted, the Town Council determines the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing, the budget may be adopted by a favorable vote of three of the members of the Town Council. Upon adoption, the budget is filed with the Town Secretary, the County Clerk of Denton County and the County Clerk of Tarrant County.

During the fiscal year, the Town Council may transfer funds allocated to a department to another department or re-estimate revenue or expenditures. The Town Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements except transfers out which are included for budget purposes in a Non-Departmental department.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of commitment. Unencumbered appropriations at fiscal year end lapse except for multi-year grants and/or projects. For budgeting purposes, encumbrances are treated as expenditures.

During fiscal year 2019-2020, the Town Council of the Town of Flower Mound amended the budget for the General Fund three times. The original expenditure and transfers budget was amended to increase the budget by $1,564,567.

The budget was increased by $230,000 for economic development incentives. Additionally, the Financial Services budget was increased by $91,783 for the Home Improvement Incentive Program. The Town Manager's budget was increased by $198,470 for a 380 agreement with Duke Realty. The Police Services budget was increased by $199,792 to account for changes in the Step plan, for the final payment to ACMS and to transfer 1 FTE for a School Crossing Guard from the Crime Control District budget. The Facilities budget was increased by $49,000 for generator installation at Fire Station 6. The Technology Services budget was decreased by $28,000 due to a change in the computer rollout process. The Fire Department budget decreased by $644,017 due to the SAFER grant, and increased for two donations in the amount of $19,000 and $5,000 and an increase in costs to the Tour 18 warning siren in the amount of $2,250. Non-Departmental budget increased by $400,000 to account for Council Committed funds. The Public Works budget was increased by $350,000 for a CIP project with TxDOT. The remaining $691,289 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2020.

The revenue budget was decreased with amendments by $36,000. The Town received two donations for the Fire Department totaling $24,000. One donation from an anonymous donor in the amount of $19,000 to purchase water rescue equipment and $5,000 from Atmos Energy to purchase an inflatable rescue raft. Revenues were decreased by $60,000 due to change in the School Resource Officer contract with Lewisville Independent School District.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Plan Years (Previous years are not available)

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service Cost	$ 4,090,390	$ 4,692,031	$ 5,117,444	$ 5,520,137	$ 5,790,170	$ 6,054,483
Interest	6,286,051	6,874,186	7,453,691	8,218,307	9,001,156	9,813,806
Difference between expected and actual experience	205,066	1,205,977	1,666,086	1,175,904	1,153,606	1,679,595
Change of assumptions	-	2,074,237	-	-	-	658,746
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)
Net change in total pension liability	$ 8,291,109	$ 12,176,021	$ 11,234,153	$ 11,695,571	$ 12,260,492	$ 13,815,429
Total pension liability - beginning	88,900,736	97,191,845	109,367,866	120,602,019	132,297,590	144,558,082
Total pension liability - Ending (a)	$ 97,191,845	$ 109,367,866	$ 120,602,019	$ 132,297,590	$ 144,558,082	$ 158,373,511
Plan fiduciary net position:						
Contributions - Employer	$ 2,688,103	$ 3,026,380	$ 3,188,542	$ 3,767,294	$ 4,085,713	$ 4,340,811
Contributions - Employee	2,123,871	2,248,064	2,389,176	2,579,504	2,705,159	2,844,388
Net Investment Income	4,852,360	135,954	6,408,566	14,374,734	(3,629,822)	18,646,488
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)
Administrative Expenses	(50,652)	(82,800)	(72,340)	(74,475)	(70,114)	(105,274)
Other	(4,164)	(4,090)	(3,898)	(3,774)	(3,664)	(3,163)
Net change in plan fiduciary net position	$ 7,319,120	$ 2,653,098	$ 8,906,978	$ 17,424,506	$ (597,168)	$ 21,332,049
Plan fiduciary net position - beginning	84,806,800	92,125,920	94,779,019	103,685,997	121,110,503	120,513,335
Plan fiduciary net position - ending (b)	$ 92,125,920	$ 94,779,018	$ 103,685,997	$ 121,110,503	$ 120,513,335	$ 141,845,384
Net pension liability (a)- (b)	$ 5,065,925	$ 14,588,848	$ 16,916,022	$ 11,187,087	$ 24,044,747	$ 16,528,127
Plan fiduciary net position as a percentage of total pension liability	94.79%	86.66%	85.97%	91.54%	83.37%	89.56%
Covered payroll	30,307,892	32,115,199	34,116,296	36,850,050	38,601,134	40,634,112
Net pension liability as a percentage of covered payroll	16.71%	45.43%	49.58%	30.36%	62.29%	40.68%

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Contributions
Last Ten Fiscal Years

Fiscal Year	(1) Actuarial determined contribution	(2) Contribution in relation to the Actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered Payroll	(5) Contributions as a percentage of Covered Payroll (2) / (4)
2011	3,038,173	3,038,173	-	26,987,129	11.26%
2012	2,596,360	2,596,360	-	27,417,720	9.47%
2013	2,526,334	2,526,334	-	28,325,218	8.92%
2014	2,644,038	2,644,038	-	29,731,270	8.89%
2015	2,883,444	2,958,444	75,000	31,692,484	9.33%
2016	3,196,435	3,251,435	55,000	34,809,474	9.34%
2017	3,544,829	3,544,829	-	35,992,438	9.85%
2018	4,035,061	4,035,061	-	38,525,767	10.47%
2019	4,139,960	4,139,960	-	39,872,578	10.38%
2020	4,486,154	4,486,154	-	42,056,582	10.67%

Valuation Date:
Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rate for 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully general basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Supplemental Death Benefit Schedule of Changes in Total OPEB Liability and Related Ratios
Last Three Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019
A. Total OPEB liability			
Service Cost	$ 58,960	$ 69,482	$ 65,015
Interest (on the Total OPEB Liability)	35,744	37,812	45,898
Difference between expected and actual experience	-	84,553	(143,228)
Changes of assumptions	100,568	(90,860)	255,097
Benefit payments	(3,685)	(3,860)	(4,063)
Net change in Total OPEB liability	191,587	97,127	218,719
Total OPEB liability - beginning	917,962	1,109,549	1,206,676
Total OPEB liability - ending	1,109,549	1,206,676	1,425,395
B. Covered payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112
C. Total OPEB liability as a percentage of covered payroll	3.01%	3.13%	3.51%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*
- Included in the changes of assumptions for 2019 was a decrease to the discount rate from 3.71% to 2.75%.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Required Supplemental Information
Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios
Last Three Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019
A. Total OPEB liability			
Service Cost	$ 84,755	$ 116,359	$ 72,917
Interest (on the Total OPEB Liability)	76,129	77,152	57,328
Difference between expected and actual experience	125,269	(983,077)	(59,278)
Changes of assumptions	110,649	(821)	139,212
Benefit payments	(199,405)	39,673	13,232
Net change in Total OPEB liability	197,397	(750,714)	223,411
Total OPEB liability - beginning	2,055,465	2,252,862	1,502,148
Total OPEB liability - ending	2,252,862	1,502,148	1,725,559
B. Covered payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112
C. Total OPEB liability as a percentage of covered payroll	6.11%	3.89%	4.25%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Included in the changes of assumptions was a decrease to the discount rate from 3.71% to 2.75%, as well as, changes to the demographic assumptions based on the 2019 TMRS Experience Study.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 9,035,618	$ 9,035,618	$ 9,053,418	$ -	$ 9,053,418	$ 17,800
Investment earnings	65,000	65,000	66,852	-	66,852	1,852
Other revenue	50,000	50,000	50,000	-	50,000	-
Total Revenue	9,150,618	9,150,618	9,170,270	-	9,170,270	19,652
EXPENDITURES						
Debt service						
Principal	8,895,000	8,895,000	8,895,000	-	8,895,000	-
Interest and fiscal charges	3,060,950	3,140,390	3,082,313	-	3,082,313	58,077
Total Expenditures	11,955,950	12,035,390	11,977,313	-	11,977,313	58,077
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,805,332)	(2,884,772)	(2,807,043)	-	(2,807,043)	77,729
OTHER FINANCING SOURCES						
Refunded bonds issued	-	3,150,000	3,150,000	-	3,150,000	-
Premium on bonds	-	494,019	494,019	-	494,019	-
Payment to escrow	-	(3,564,197)	(3,564,197)	-	(3,564,197)	-
Transfers in	2,906,725	2,906,725	2,906,725	-	2,906,725	-
Total Other Financing Sources	2,906,725	2,986,547	2,986,547	-	2,986,547	-
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	101,393	101,775	179,504	-	179,504	77,729
FUND BALANCE, BEGINNING OF YEAR	1,432,865	1,432,865	1,432,865	-	1,432,865	-
FUND BALANCE, END OF YEAR	$ 1,534,258	$ 1,534,640	$ 1,612,369	$ -	$ 1,612,369	$ 77,729

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
General Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Impact fees	$ -	$ -	$ 1,306,334	$ -	$ 1,306,334	$ 1,306,334
Investment earnings	-	-	374,802	-	374,802	374,802
Other revenue	-	-	75,000	-	75,000	75,000
Total revenues	-	-	1,756,136	-	1,756,136	1,756,136
EXPENDITURES						
Current -						
Capital projects	8,466,215	17,607,116	17,516,366	(10,782,174)	6,734,192	10,872,924
Total Expenditures	8,466,215	17,607,116	17,516,366	(10,782,174)	6,734,192	10,872,924
Excess (deficiency) of revenues over (under) expenditures	(8,466,215)	(17,607,116)	(15,760,230)	10,782,174	(4,978,056)	12,629,060
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	5,000,114	-	5,000,114	5,000,114
Total other financing sources and uses	-	-	5,000,114	-	5,000,114	5,000,114
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(8,466,215)	(17,607,116)	(10,760,116)	10,782,174	22,058	17,629,174
FUND BALANCE, BEGINNING OF YEAR	34,875,379	34,875,379	34,875,379	-	34,875,379	-
FUND BALANCE, END OF YEAR	$ 26,409,164	$ 17,268,263	$ 24,115,263	$ 10,782,174	$ 34,897,437	$ 17,629,174

Town of Flower Mound, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue										
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure
ASSETS											
Cash and cash equivalents	$ 27,760	$ 7,146,584	$ 3,270,314	$ 786,466	$ 327,549	$ 3,860,087	$ 2,659,199	$ 717,721	$ 135,948	$ 654,660	$ 13,986
Investments	14,268	8,004,734	3,551,690	969,799	163,222	4,575,198	2,581,087	469,913	27,997	790,877	13,370
Sales tax receivable	-	-	-	-	-	522,567	522,567	519,087	517,416	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Franchise fees receivable	-	-	-	-	40,396	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	464,264	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-
Total Assets	$ 42,028	$ 15,151,318	$ 6,822,004	$ 1,756,265	$ 531,167	$ 9,422,116	$ 5,762,853	$ 1,706,721	$ 681,361	$ 1,445,537	$ 27,356
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable	$ -	$ 198,225	$ 128,011	$ 2,389	$ 1,901	$ 144,057	$ -	$ 42,891	$ 63,524	$ -	$ 10,889
Retainage payable	-	29,575	-	-	-	296,015	-	-	-	-	-
Salaries payable	-	-	-	1,998	-	-	-	85,259	80,063	-	-
Interfund	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	1,429,233	-
Total Liabilities	-	227,800	128,011	4,387	1,901	440,072	-	128,150	143,587	1,429,233	10,889
Fund Balance:											
Restricted for:											
Community services	-	-	-	-	529,266	-	-	-	-	16,304	-
Community development	-	14,923,518	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	1,578,571	537,774	-	16,467
Streets	-	-	-	-	-	8,982,044	-	-	-	-	-
Parks	-	-	-	-	-	-	5,762,853	-	-	-	-
Committed for:											
Community services	42,028	-	-	1,751,878	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	6,693,993	-	-	-	-	-	-	-	-
Total Fund Balance	42,028	14,923,518	6,693,993	1,751,878	529,266	8,982,044	5,762,853	1,578,571	537,774	16,304	16,467
Total Liabilities and Fund Balance	$ 42,028	$ 15,151,318	$ 6,822,004	$ 1,756,265	$ 531,167	$ 9,422,116	$ 5,762,853	$ 1,706,721	$ 681,361	$ 1,445,537	$ 27,356

	Special Revenue													
	IRS Equitable Sharing	Chapter 59 Seizures	Animal Care	SAFER Grant	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
	$ 148,167	$ 75,525	$ 50,255	$ -	$ -	$ -	$ 120,890	$ -	$ 42,206	$ 57,458	$ 43,609	$ 220	$ 8,394	$ 20,146,998
	270,577	-	29,148	-	-	-	68,110	1,049,603	51,337	46,089	37,585	-	2,624	22,717,228
	-	-	-	-	-	-	-	-	-	-	-	-	-	2,081,637
	-	-	-	-	-	-	10,942	-	15,893	-	-	-	-	26,835
	-	-	-	-	-	-	-	-	-	-	-	-	-	40,396
	-	-	-	286,326	98,357	144,085	-	19,937	-	-	-	-	-	548,705
	-	-	-	-	-	-	-	-	-	-	-	-	-	464,264
	-	-	-	-	-	-	-	-	-	-	264	-	-	264
	$ 418,744	$ 75,525	$ 79,403	$ 286,326	$ 98,357	$ 144,085	$ 199,942	$ 1,069,540	$ 109,436	$ 103,547	$ 81,458	$ 220	$ 11,018	$ 46,026,327
	$ 885	$ 15,951	$ -	$ -	$ 37,624	$ 27,525	$ -	$ 79	$ 14,326	$ 325	$ 38	$ -	$ -	$ 688,640
	-	-	-	-	-	-	-	-	-	-	-	-	-	325,590
	2,973	-	-	-	-	-	-	-	-	-	-	-	-	170,293
	-	-	-	286,326	60,733	116,560	-	645	-	-	-	-	-	464,264
	-	-	-	-	-	-	-	1,067,004	-	-	-	-	-	2,496,237
	3,858	15,951	-	286,326	98,357	144,085	-	1,067,728	14,326	325	38	-	-	4,145,024
	-	-	-	-	-	-	-	-	95,110	-	-	-	-	640,680
	-	-	-	-	-	-	-	-	-	-	-	-	-	14,923,518
	414,886	59,574	-	-	-	-	-	-	-	103,222	81,420	220	11,018	2,803,152
	-	-	-	-	-	-	-	-	-	-	-	-	-	8,982,044
	-	-	-	-	-	-	-	-	-	-	-	-	-	5,762,853
	-	-	-	-	-	-	199,942	-	-	-	-	-	-	1,993,848
	-	-	79,403	-	-	-	-	1,812	-	-	-	-	-	81,215
	-	-	-	-	-	-	-		-	-	-	-	-	6,693,993
	414,886	59,574	79,403	-	-	-	199,942	1,812	95,110	103,222	81,420	220	11,018	41,881,303
	$ 418,744	$ 75,525	$ 79,403	$ 286,326	$ 98,357	$ 144,085	$ 199,942	$ 1,069,540	$ 109,436	$ 103,547	$ 81,458	$ 220	$ 11,018	$ 46,026,327

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue										
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure
REVENUES											
Ad valorem taxes	$ -	$ 6,606,311	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Franchise fees	-	-	-	-	173,993	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	70,767	-
Sales tax	-	-	-	-	-	3,177,789	3,177,788	3,154,578	3,137,743	-	-
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-	-
Licenses, permits and fees	-	-	1,022,687	78,014	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	4,989
Investment earnings	410	142,196	70,280	21,917	4,968	98,855	48,640	8,302	11	13,774	307
Memorials and contributions	16,698	-	646	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	17,108	6,748,507	1,093,613	99,931	178,961	3,276,644	3,226,428	3,162,880	3,137,754	84,541	5,296
EXPENDITURES											
Current -											
Parks & recreation services	-	-	69,866	139,991	-	-	876,520	-	-	70,767	-
Library services	3,693	-	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	2,695,001	-	-	-
Financial services	-	-	-	-	-	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-	-	-	2,965,237	-	-
Communications	-	-	-	-	93,914	-	-	-	-	-	-
Public works	-	2,434,546	-	-	-	2,867,713	-	-	-	-	-
Total Expenditures	3,693	2,434,546	69,866	139,991	93,914	2,867,713	876,520	2,695,001	2,965,237	70,767	-
Excess (deficiency) of revenues over (under) expenditures	13,415	4,313,961	1,023,747	(40,060)	85,047	408,931	2,349,908	467,879	172,517	13,774	5,296
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(2,635,475)	-	-	-	-	(521,250)	-	-	-	-
Total other financing sources and uses	-	(2,635,475)	-	-	-	-	(521,250)	-	-	-	-
Net change in fund balances	13,415	1,678,486	1,023,747	(40,060)	85,047	408,931	1,828,658	467,879	172,517	13,774	5,296
Fund balances - beginning	28,613	13,245,032	5,670,246	1,791,938	444,219	8,573,113	3,934,195	1,110,692	365,257	2,530	11,171
Fund balances - ending	$ 42,028	$ 14,923,518	$ 6,693,993	$ 1,751,878	$ 529,266	$ 8,982,044	$ 5,762,853	$ 1,578,571	$ 537,774	$ 16,304	$ 16,467

Special Revenue															
IRS Equitable Sharing	Chapter 59 Seizures	Animal Care	SAFER Grant	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,606,311
-	-	-	-	-	-	-	-	-	-	-	-	-	173,993
-	-	-	529,316	218,383	184,053	-	2,059,851	-	-	-	-	-	3,062,370
-	-	-	-	-	-	-	-	-	-	-	-	-	12,647,898
-	-	-	-	-	-	-	-	251,204	-	-	-	-	251,204
-	-	-	-	-	-	-	-	-	-	-	-	-	1,100,701
-	-	-	-	-	-	58,422	-	-	-	-	-	-	58,422
-	1,195	-	-	-	-	-	-	-	17,832	18,155	220	11,004	53,395
5,833	-	907	-	-	-	2,154	1,812	1,143	1,156	1,061	-	14	423,740
-	-	7,586	-	-	-	-	-	-	-	-	-	-	24,930
-	-	-	-	-	-	235	-	-	-	-	-	-	235
5,833	1,195	8,493	529,316	218,383	184,053	60,811	2,061,663	252,347	18,988	19,216	220	11,018	24,403,199
			-										
-	-	-	-	218,383	37,522	-	-	188,176	-	-	-	-	1,601,225
-	-	-	-	-	-	-	-	-	-	-	-	-	3,693
94,173	30,031	4,677	-	-	123,491	-	-	-	-	-	-	-	2,947,373
-	-	-	-	-	-	-	-	-	8,688	24,248	-	-	32,936
-	-	-	705,755	-	-	-	2,059,851	-	-	-	-	-	5,730,843
-	-	-	-	-	-	-	-	-	-	-	-	-	93,914
-	-	-	-	-	36,351	42,823	-	-	-	-	-	-	5,381,433
94,173	30,031	4,677	705,755	218,383	197,364	42,823	2,059,851	188,176	8,688	24,248	-	-	15,791,417
(88,340)	(28,836)	3,816	(176,439)	-	(13,311)	17,988	1,812	64,171	10,300	(5,032)	220	11,018	8,611,782
-	-	-	176,439	-	13,311	-	-	-	-	-	-	-	189,750
-	-	-	-	-	-	-	-	-	-	-	-	-	(3,156,725)
-	-	-	176,439	-	13,311	-	-	-	-	-	-	-	(2,966,975)
(88,340)	(28,836)	3,816	-	-	-	17,988	1,812	64,171	10,300	(5,032)	220	11,018	5,644,807
503,226	88,410	75,587	-	-	-	181,954	-	30,939	92,922	86,452	-	-	36,236,496
$ 414,886	$ 59,574	$ 79,403	$ -	$ -	$ -	$ 199,942	$ 1,812	$ 95,110	$ 103,222	$ 81,420	$ 220	$ 11,018	$ 41,881,303

Town of Flower Mound, Texas
Library Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Memorials and contributions	$ 10,000	$ 10,000	$ 16,698	$ -	$ 16,698	$ 6,698
Investment earnings	250	250	410	-	410	160
Total Revenue	10,250	10,250	17,108	-	17,108	6,858
EXPENDITURES						
Library services	20,000	20,000	3,693	-	3,693	16,307
Total Expenditures	20,000	20,000	3,693	-	3,693	16,307
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(9,750)	(9,750)	13,415	-	13,415	23,165
FUND BALANCE, BEGINNING OF YEAR	28,613	28,613	28,613	-	28,613	-
FUND BALANCE, END OF YEAR	$ 18,863	$ 18,863	$ 42,028	$ -	$ 42,028	$ 23,165

Town of Flower Mound, Texas
TIRZ Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 6,099,710	$ 6,099,710	$ 6,606,311	$ -	$ 6,606,311	$ 506,601
Investment earnings	125,000	125,000	142,196	-	142,196	17,196
Total Revenue	6,224,710	6,224,710	6,748,507	-	6,748,507	523,797
EXPENDITURES						
Public works	7,682,522	15,775,281	2,434,546	465,937	2,900,483	12,874,798
Total Expenditures	7,682,522	15,775,281	2,434,546	465,937	2,900,483	12,874,798
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,457,812)	(9,550,571)	4,313,961	(465,937)	3,848,024	13,398,595
OTHER FINANCING SOURCES (USES)						
Transfers out	(2,635,475)	(2,635,475)	(2,635,475)	-	(2,635,475)	-
Total Other Financing Sources (Uses)	(2,635,475)	(2,635,475)	(2,635,475)	-	(2,635,475)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(4,093,287)	(12,186,046)	1,678,486	(465,937)	1,212,549	13,398,595
FUND BALANCE, BEGINNING OF YEAR	13,245,032	13,245,032	13,245,032	-	13,245,032	-
FUND BALANCE, END OF YEAR	$ 9,151,745	$ 1,058,986	$ 14,923,518	$(465,937)	$ 14,457,581	$ 13,398,595

Town of Flower Mound, Texas
Park Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP	Adjustments Budget	Actual Budget	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 1,022,687	$ -	1,022,687	1,022,687
Investment earnings	75,000	75,000	70,280	-	70,280	(4,720)
Memorials and contributions	-	-	646	-	646	646
Total Revenue	75,000	75,000	1,093,613	-	1,093,613	1,018,613
EXPENDITURES						
Parks & recreation services	1,244,895	5,819,008	69,866	51,732	121,598	5,697,410
Total Expenditures	1,244,895	5,819,008	69,866	51,732	121,598	5,697,410
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,169,895)	(5,744,008)	1,023,747	(51,732)	972,015	6,716,023
FUND BALANCE, BEGINNING OF YEAR	5,670,246	5,670,246	5,670,246	-	5,670,246	-
FUND BALANCE, END OF YEAR	$ 4,500,351	$(73,762)	$ 6,693,993	$(51,732)	$ 6,642,261	$ 6,716,023

Town of Flower Mound, Texas
Tree Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 78,014	$ -	$ 78,014	$ 78,014
Investment earnings	20,000	20,000	21,917	-	21,917	1,917
Total Revenue	20,000	20,000	99,931	-	99,931	79,931
EXPENDITURES						
Parks & recreation services	172,964	197,664	139,991	(5,191)	134,800	62,864
Total Expenditures	172,964	197,664	139,991	(5,191)	134,800	62,864
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(152,964)	(177,664)	(40,060)	5,191	(34,869)	142,795
OTHER FINANCING SOURCES (USES)						
Transfer out	(20,000)	(20,000)	-	-	-	20,000
Total Other Financing Sources (Uses)	(20,000)	(20,000)	-	-	-	20,000
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(172,964)	(197,664)	(40,060)	5,191	(34,869)	162,795
FUND BALANCE, BEGINNING OF YEAR	1,791,938	1,791,938	1,791,938	-	1,791,938	-
FUND BALANCE, END OF YEAR	$ 1,618,974	$ 1,594,274	$ 1,751,878	$ 5,191	$ 1,757,069	$ 162,795

Town of Flower Mound, Texas
PEG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Franchise fees	$ 200,000	$ 200,000	$ 173,993	$ -	$ 173,993	$(26,007)
Investment earnings	3,000	3,000	4,968	-	4,968	1,968
Total Revenue	203,000	203,000	178,961	-	178,961	(24,039)
EXPENDITURES						
Communications	207,246	207,246	93,914	(12,140)	81,774	125,472
Total Expenditures	207,246	207,246	93,914	(12,140)	81,774	125,472
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(4,246)	(4,246)	85,047	12,140	97,187	101,433
FUND BALANCE, BEGINNING OF YEAR	444,219	444,219	444,219	-	444,219	-
FUND BALANCE, END OF YEAR	$ 439,973	$ 439,973	$ 529,266	$ 12,140	$ 541,406	$ 101,433

Town of Flower Mound, Texas
Dedicated Sales Tax - Street Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,367,000	$ 3,367,000	$ 3,177,789	$ -	$ 3,177,789	$(189,211)
Investment earnings	100,000	100,000	98,855	-	98,855	(1,145)
Total Revenue	3,467,000	3,467,000	3,276,644	-	3,276,644	(190,356)
EXPENDITURES						
Public works	4,969,572	10,346,981	2,867,713	(46,478)	2,821,235	7,525,746
Total Expenditures	4,969,572	10,346,981	2,867,713	(46,478)	2,821,235	7,525,746
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,502,572)	(6,879,981)	408,931	46,478	455,409	7,335,390
FUND BALANCE, BEGINNING OF YEAR	8,573,113	8,573,113	8,573,113	-	8,573,113	-
FUND BALANCE, END OF YEAR	$ 7,070,541	$ 1,693,132	$ 8,982,044	$ 46,478	$ 9,028,522	$ 7,335,390

Town of Flower Mound, Texas
Dedicated Sales Tax - Parks 4B Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,367,000	$ 3,367,000	$ 3,177,788	$ -	$ 3,177,788	$(189,212)
Investment earnings	40,000	40,000	48,640	-	48,640	8,640
Total Revenue	3,407,000	3,407,000	3,226,428	-	3,226,428	(180,572)
EXPENDITURES						
Parks & recreation services	3,113,569	6,899,004	876,520	(296,839)	579,681	6,319,323
Total Expenditures	3,113,569	6,899,004	876,520	(296,839)	579,681	6,319,323
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	293,431	(3,492,004)	2,349,908	296,839	2,646,747	6,138,751
OTHER FINANCING SOURCES (USES)						
Ttransfer out	(521,250)	(521,250)	(521,250)	-	(521,250)	-
Total Other Financing Sources (Uses)	(521,250)	(521,250)	(521,250)	-	(521,250)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(227,819)	(4,013,254)	1,828,658	296,839	2,125,497	6,138,751
FUND BALANCE, BEGINNING OF YEAR	3,934,195	3,934,195	3,934,195	-	3,934,195	-
FUND BALANCE, END OF YEAR	$ 3,706,376	$(79,059)	$ 5,762,853	$ 296,839	$ 6,059,692	$ 6,138,751

Town of Flower Mound, Texas
Dedicated Sales Tax - Crime District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,350,165	$ 3,350,165	$ 3,154,578	$ -	$ 3,154,578	$(195,587)
Investment earnings	8,000	8,000	8,302	-	8,302	302
Other revenue	-	-	-	-	-	-
Total Revenue	3,358,165	3,358,165	3,162,880	-	3,162,880	(195,285)
EXPENDITURES						
Police services	3,574,440	3,571,826	2,695,001	20,520	2,715,521	856,305
Total Expenditures	3,574,440	3,571,826	2,695,001	20,520	2,715,521	856,305
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(216,275)	(213,661)	467,879	(20,520)	447,359	661,020
FUND BALANCE, BEGINNING OF YEAR	1,110,692	1,110,692	1,110,692	-	1,110,692	-
FUND BALANCE, END OF YEAR	$ 894,417	$ 897,031	$ 1,578,571	$(20,520)	$ 1,558,051	$ 661,020

Town of Flower Mound, Texas
Dedicated Sales Tax - Fire District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,333,330	$ 3,333,330	$ 3,137,743	$ -	$ 3,137,743	$(195,587)
Investment earnings	100	100	11	-	11	(89)
Other revenue	-	-	-		-	-
Total Revenue	3,333,430	3,333,430	3,137,754	-	3,137,754	(195,676)
EXPENDITURES						
Fire and emergency services	3,298,602	3,298,602	2,965,237	-	2,965,237	333,365
Total Expenditures	3,298,602	3,298,602	2,965,237	-	2,965,237	333,365
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	34,828	34,828	172,517	-	172,517	137,689
FUND BALANCE, BEGINNING OF YEAR	365,257	365,257	365,257	-	365,257	-
FUND BALANCE, END OF YEAR	$ 400,085	$ 400,085	$ 537,774	$ -	$ 537,774	$ 137,689

Town of Flower Mound, Texas
Flower Mound Log Cabin Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ -	$ -	$ 13,774	$ -	$ 13,774	$ 13,774
Intergovernmental	-	1,500,000	70,767	-	70,767	(1,429,233)
Total Revenue	-	1,500,000	84,541	-	84,541	(1,415,459)
EXPENDITURES						
Parks & recreation services	-	1,436,000	70,767	242,117	312,884	1,123,116
Total Expenditures	-	1,436,000	70,767	242,117	312,884	1,123,116
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	64,000	13,774	(242,117)	(228,343)	(292,343)
FUND BALANCE, BEGINNING OF YEAR	2,530	2,530	2,530	-	2,530	-
FUND BALANCE, END OF YEAR	$ 2,530	$ 66,530	$ 16,304	$(242,117)	$(225,813)	$(292,343)

Town of Flower Mound, Texas
Police Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 200	$ 200	$ 307	$ -	$ 307	$ 107
Fines and forfeitures	-	-	4,989	-	4,989	4,989
Other revenue	-	-	-	-	-	-
Memorials and contributions	-	-	-	-	-	-
Total Revenue	200	200	5,296	-	5,296	5,096
EXPENDITURES						
Police services	2,200	2,200	-	-	-	2,200
Total Expenditures	2,200	2,200	-	-	-	2,200
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,000)	(2,000)	5,296	-	5,296	7,296
FUND BALANCE, BEGINNING OF YEAR	11,171	11,171	11,171	-	11,171	-
FUND BALANCE, END OF YEAR	$ 9,171	$ 9,171	$ 16,467	$ -	$ 16,467	$ 7,296

Town of Flower Mound, Texas
IRS Equitable Sharing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 5,000	$ 5,000	$ 5,833	$ -	$ 5,833	$ 833
Fines and forfeitures	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenue	5,000	5,000	5,833	-	5,833	833
EXPENDITURES						
Police services	514,702	514,702	94,173	55,062	149,235	365,467
Total Expenditures	514,702	514,702	94,173	55,062	149,235	365,467
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(509,702)	(509,702)	(88,340)	(55,062)	(143,402)	366,300
FUND BALANCE, BEGINNING OF YEAR	503,226	503,226	503,226	-	503,226	-
FUND BALANCE, END OF YEAR	$(6,476)	$(6,476)	$ 414,886	$(55,062)	$ 359,824	$ 366,300

Town of Flower Mound, Texas
Justice Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	-	-	-	-	-	-
EXPENDITURES						
Police services	609	609	-	-	-	609
Total Expenditures	609	609	-	-	-	609
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(609)	(609)	-	-	-	609
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$(609)	$(609)	$ -	$ -	$ -	$ 609

Town of Flower Mound, Texas
Chapter 59 Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 1,195	$ -	$ 1,195	$ 1,195
Total Revenue	-	-	1,195	-	1,195	1,195
EXPENDITURES						
Police services	77,900	77,900	30,031	-	30,031	47,869
Total Expenditures	77,900	77,900	30,031	-	30,031	47,869
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(77,900)	(77,900)	(28,836)	-	(28,836)	49,064
FUND BALANCE, BEGINNING OF YEAR	88,410	88,410	88,410	-	88,410	-
FUND BALANCE, END OF YEAR	$ 10,510	$ 10,510	$ 59,574	$ -	$ 59,574	$ 49,064

Town of Flower Mound, Texas
Animal Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 800	$ 800	$ 907	$ -	$ 907	$ 107
Memorials and contributions	10,000	10,000	7,586	-	7,586	(2,414)
Total Revenue	10,800	10,800	8,493	-	8,493	(2,307)
EXPENDITURES						
Police services	31,500	31,500	4,677	-	4,677	26,823
Total Expenditures	31,500	31,500	4,677	-	4,677	26,823
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(20,700)	(20,700)	3,816	-	3,816	24,516
FUND BALANCE, BEGINNING OF YEAR	75,587	75,587	75,587	-	75,587	-
FUND BALANCE, END OF YEAR	$ 54,887	$ 54,887	$ 79,403	$ -	$ 79,403	$ 24,516

Town of Flower Mound, Texas
SAFER Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ -	$ 2,768,534	$ 529,316	$ -	$ 529,316	$(2,239,218)
Other Revenue	-	-	-	-	-	-
Total Revenue	-	2,768,534	529,316	-	529,316	(2,239,218)
EXPENDITURES						
Fire and emergency services	-	4,489,515	705,755	-	705,755	3,783,760
Financial Services	-	-	-	-	-	-
Total Expenditures	-	4,489,515	705,755	-	705,755	3,783,760
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(1,720,981)	(176,439)	-	(176,439)	1,544,542
OTHER FINANCING SOURCES (USES)						
Transfer In	-	1,720,981	176,439	-	176,439	(1,544,542)
Total Other Financing Sources (Uses)	-	1,720,981	176,439	-	176,439	(1,544,542)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -	$ -	$ -

Town of Flower Mound, Texas
CDBG-HUD Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ 213,805	$ 338,392	$ 218,383	$ -	$ 218,383	$(120,009)
Total Revenue	213,805	338,392	218,383	-	218,383	(120,009)
EXPENDITURES						
Community Services	213,805	409,299	218,383	-	218,383	190,916
Total Expenditures	213,805	409,299	218,383	-	218,383	190,916
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(70,907)	-	-	-	70,907
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(70,907)	$ -	$ -	$ -	$ 70,907

Town of Flower Mound, Texas
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 3,895,248	$ 184,053	$ -	$ 184,053	$(3,711,195)
Total Revenue	-	3,895,248	184,053	-	184,053	(3,711,195)
EXPENDITURES						
Parks & recreation services	-	3,731,046	37,522	15,375	52,897	3,678,149
Police services	-	138,179	123,491	-	123,491	14,688
Public Works	-	43,000	36,351	-	36,351	6,649
Total Expenditures	-	3,912,225	197,364	15,375	212,739	3,699,486
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(16,977)	(13,311)	(15,375)	(28,686)	(11,709)
OTHER FINANCING SOURCES (USES)						
Transfer in	-	16,977	13,311	-	13,311	(3,666)
Total Other Financing Sources (Uses)	-	16,977	13,311	-	13,311	(3,666)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	(15,375)	(15,375)	(15,375)
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$(15,375)	$(15,375)	$(15,375)

Town of Flower Mound, Texas
Neighborhood Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Charges for services	$ 75,000	$ 75,000	$ 58,422	$ -	$ 58,422	$(16,578)
Investment earnings	1,500	1,500	2,154	-	2,154	654
Other revenue	300	300	235	-	235	(65)
Total Revenue	76,800	76,800	60,811	-	60,811	(15,989)
EXPENDITURES						
Public works	160,000	160,000	42,823	15,208	58,031	101,969
Total Expenditures	160,000	160,000	42,823	15,208	58,031	101,969
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(83,200)	(83,200)	17,988	(15,208)	2,780	85,980
FUND BALANCE, BEGINNING OF YEAR	181,954	181,954	181,954	-	181,954	-
FUND BALANCE, END OF YEAR	$ 98,754	$ 98,754	$ 199,942	$(15,208)	$ 184,734	$ 85,980

Town of Flower Mound, Texas
COVID-19 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 3,128,018	$ 2,059,851	$ -	$ 2,059,851	$(1,068,167)
Investment earnings	-	-	1,812	-	1,812	1,812
Total Revenue	-	3,128,018	2,061,663	-	2,061,663	(1,066,355)
EXPENDITURES						
Fire and emergency services	-	3,128,018	2,059,851	-	2,059,851	1,068,167
Total Expenditures	-	3,128,018	2,059,851	-	2,059,851	1,068,167
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	1,812	-	1,812	1,812
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,812	$ -	$ 1,812	$ 1,812

Town of Flower Mound, Texas
Hotel Occupancy Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Hotel occupancy tax	$ 370,000	$ 370,000	$ 251,204	$ -	$ 251,204	$(118,796)
Investment earnings	1,000	1,000	1,143	-	1,143	143
Total Revenue	371,000	371,000	252,347	-	252,347	(118,653)
EXPENDITURES						
Community Services	340,000	340,000	188,176	-	188,176	151,824
Total Expenditures	340,000	340,000	188,176	-	188,176	151,824
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	31,000	31,000	64,171	-	64,171	33,171
FUND BALANCE, BEGINNING OF YEAR	30,939	30,939	30,939	-	30,939	-
FUND BALANCE, END OF YEAR	$ 61,939	$ 61,939	$ 95,110	$ -	$ 95,110	$ 33,171

Town of Flower Mound, Texas
Municipal Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 23,120	$ 23,120	$ 17,832	$ -	$ 17,832	$(5,288)
Investment earnings	800	800	1,156	-	1,156	356
Total Revenue	23,920	23,920	18,988	-	18,988	(4,932)
EXPENDITURES						
Financial services	36,600	36,600	8,688	-	8,688	27,912
Total Expenditures	36,600	36,600	8,688	-	8,688	27,912
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(12,680)	(12,680)	10,300	-	10,300	22,980
FUND BALANCE, BEGINNING OF YEAR	92,922	92,922	92,922	-	92,922	-
FUND BALANCE, END OF YEAR	$ 80,242	$ 80,242	$ 103,222	$ -	$ 103,222	$ 22,980

Town of Flower Mound, Texas
Municipal Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 30,830	$ 30,830	$ 18,155	$ -	$ 18,155	$(12,675)
Investment earnings	800	800	1,061	-	1,061	261
Total Revenue	31,630	31,630	19,216	-	19,216	(12,414)
EXPENDITURES						
Financial services	31,655	31,655	24,248	-	24,248	7,407
Total Expenditures	31,655	31,655	24,248	-	24,248	7,407
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(25)	(25)	(5,032)	-	(5,032)	(5,007)
FUND BALANCE, BEGINNING OF YEAR	86,452	86,452	86,452	-	86,452	-
FUND BALANCE, END OF YEAR	$ 86,427	$ 86,427	$ 81,420	$ -	$ 81,420	$(5,007)

Town of Flower Mound, Texas
Municipal Court Jury Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 220	$ -	$ 220	$ 220
Total Revenue	-	-	220	-	220	220
EXPENDITURES						
Financial services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	220	-	220	220
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 220	$ -	$ 220	$ 220

Town of Flower Mound, Texas
Municipal Court Truancy Prevention Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 11,004	$ -	$ 11,004	$ 11,004
Investment earnings	-	-	14	-	14	14
Total Revenue	-	-	11,018	-	11,018	11,018
EXPENDITURES						
Financial services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	11,018	-	11,018	11,018
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 11,018	$ -	$ 11,018	$ 11,018

Town of Flower Mound, Texas
Combining Statement of Net Position
All Internal Service Funds
September 30, 2020

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,217,577	$ 5,014,136	$ 7,231,713
Investments	2,715,252	6,006,260	8,721,512
Receivables (net of allowances for estimated uncollectibles):			
Accounts	322,439		322,439
Total current assets	5,255,268	11,020,396	16,275,664
Total Assets	5,255,268	11,020,396	16,275,664
LIABILITIES			
Current liabilities:			
Accounts payable	400	-	400
Estimated health claims	1,318,340	-	1,318,340
Total current liabilities	1,318,740	-	1,318,740
Total Liabilities	1,318,740	-	1,318,740
NET POSITION			
Unrestricted	3,936,528	11,020,396	14,956,924
Total net position	$ 3,936,528	$ 11,020,396	$ 14,956,924

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
All Internal Service Funds
For the Year Ended September 30, 2020

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
Operating revenues:			
Charges for services	$ 10,303,854	$ 2,298,511	$ 12,602,365
Other	-	168,776	168,776
Total operating revenue	10,303,854	2,467,287	12,771,141
Operating expenses:			
Maintenance and operations	-	1,858,581	1,858,581
Health insurance and flexible benefits	10,074,520	-	10,074,520
Total operating expenses	10,074,520	1,858,581	11,933,101
Operating income	229,334	608,706	838,040
Nonoperating revenues (expenses):			
Interest income	56,997	131,389	188,386
Total nonoperating revenue (expenses)	56,997	131,389	188,386
Income before contributions and transfers	286,331	740,095	1,026,426
Transfers in	15,000	-	15,000
Change in net position	301,331	740,095	1,041,426
Total net position - beginning	3,635,197	10,280,301	13,915,498
Total net position - ending	$ 3,936,528	$ 11,020,396	$ 14,956,924

Town of Flower Mound, Texas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended September 30, 2020

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from transactions with other funds	$ 10,215,273	$ 2,467,286	$ 12,682,559
Cash paid for goods and services	(3,884,974)	(1,920,305)	(5,805,279)
Cash paid for claims	(6,328,031)	-	(6,328,031)
Net cash provided by operating activities	2,268	546,981	549,249
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	15,000	-	15,000
Net cash provided (used) by capital and related financing activities	15,000	-	15,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	237,474	1,153,824	1,391,298
Purchase of investment securities	(349,319)	(1,732,836)	(2,082,155)
Interest received	56,997	131,389	188,386
Net cash provided (used) by investing activities	(54,848)	(447,623)	(502,471)
Net increase in cash and cash equivalents	(37,580)	99,358	61,778
Cash and cash equivalents, October 1	2,255,157	4,914,778	7,169,935
Cash and cash equivalents, September 30	$ 2,217,577	$ 5,014,136	$ 7,231,713
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ 229,334	$ 608,706	$ 838,040
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Change in assets and liabilities			
Decrease (Increase) in trade receivables	(88,581)	-	(88,581)
Increase (Decrease) in accounts payable and accrued liabilities	(138,485)	(61,725)	(200,210)
Total adjustments	(227,066)	(61,725)	(288,791)
Net cash provided by operating activities	$ 2,268	$ 546,981	$ 549,249

Town of Flower Mound, Texas
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended September 30, 2020

River Walk Public Improvement District Number 1

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020
ASSETS				
Cash and cash equivalents	$ 2,056,674	$ 18,710	$ -	$ 2,075,384
Total Assets	$ 2,056,674	$ 18,710	$ -	$ 2,075,384
LIABILITIES				
Due to debt holders	$ 2,056,674	$ 18,710	$ -	$ 2,075,384
Total Liabilities	$ 2,056,674	$ 18,710	$ -	$ 2,075,384

TOWN OF FLOWER MOUND, TEXAS
STATISTICAL SECTION

This part of the Town of Flower Mound's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 124

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 132

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 138

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 143

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 144

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Town of Flower Mound, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	$ 164,563,774	$ 172,020,155	$ 174,861,739	$ 175,530,741
Restricted	17,588,195	17,757,582	20,180,671	23,945,799
Unrestricted	23,164,152	25,267,896	27,409,576	29,465,747
Total governmental activities net position	$ 205,316,121	$ 215,045,633	$ 222,451,986	$ 228,942,287
Business-type activities				
Net investment in capital assets	$ 103,218,876	$ 102,005,067	$ 106,498,263	$ 110,430,392
Restricted	1,198,538	1,223,727	1,223,917	1,226,993
Unrestricted	9,602,754	12,590,602	17,123,746	17,731,386
Total business-type activities net position	$ 114,020,168	$ 115,819,396	$ 124,845,926	$ 129,388,771
Primary government				
Net investment in capital assets	$ 267,782,650	$ 274,025,222	$ 281,360,002	$ 285,961,133
Restricted	18,786,733	18,981,309	21,404,588	25,172,792
Unrestricted	32,766,906	37,858,498	44,533,322	47,197,133
Total primary government net position	$ 319,336,289	$ 330,865,029	$ 347,297,912	$ 358,331,058

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 188,789,944	$ 202,543,406	$ 230,421,353	$ 271,744,498	$ 274,850,281	$ 284,502,370
25,308,366	27,217,009	36,676,874	40,469,469	42,179,244	45,967,635
31,910,667	28,577,413	16,371,786	8,344,796	30,563,245	32,776,066
$ 246,008,977	$ 258,337,828	$ 283,470,013	$ 320,558,763	$ 347,592,770	$ 363,246,071
$ 118,357,125	$ 126,551,908	$ 138,553,283	$ 145,749,885	$ 143,033,465	$ 146,438,852
1,227,110	-	-	-	21,457,609	24,814,356
19,427,428	18,002,680	16,986,793	21,282,106	11,607,987	11,992,793
$ 139,011,663	$ 144,554,588	$ 155,540,076	$ 167,031,991	$ 176,099,061	$ 183,246,001
$ 307,147,069	$ 329,095,314	$ 368,974,636	$ 417,494,383	$ 417,883,746	$ 430,941,222
26,535,476	27,217,009	36,676,874	40,469,469	63,636,853	70,781,991
51,338,095	46,580,093	33,358,579	29,626,902	42,171,232	44,768,859
$ 385,020,640	$ 402,892,416	$ 439,010,089	$ 487,590,754	$ 523,691,831	$ 546,492,072

Town of Flower Mound, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
Town manager's office	$ 2,211,951	$ 2,225,089	$ 2,956,131	$ 2,648,162
Legislative services	366,660	577,174	449,368	368,095
Development services	1,527,053	1,787,947	1,468,228	2,123,293
Parks & recreation services	10,094,994	9,815,410	5,267,225	11,264,282
Library services	-	-	-	-
Police services	11,978,943	12,620,079	12,933,686	13,667,054
Financial services	7,267,627	2,499,834	3,018,407	3,507,742
Administrative services	-	-	4,294,715	4,310,194
Fire and emergency services	7,950,664	7,011,824	11,547,693	12,504,864
Communications	721,633	703,379	759,179	747,360
Public works	14,395,448	19,164,674	16,262,619	12,291,758
Environmental services	-	-	1,236,085	1,173,832
Interest on long-term debt	3,261,518	3,937,428	2,891,717	1,758,611
Total governmental activities expenses	59,776,491	60,342,838	63,085,053	66,365,247
Business-type activities:				
Utilities	33,938,877	35,125,994	33,724,163	35,419,015
Total business-type activities expenses	33,938,877	35,125,994	33,724,163	35,419,015
Total primary government expenses	$ 93,715,368	$ 95,468,832	$ 96,809,216	$ 101,784,262
Program Revenues				
Governmental activities:				
Charges for services:				
Town manager's office	$ -	$ -	$ -	$ 2,500
Legislative services	15,760	17,000	16,772	16,365
Development services	1,100,871	1,256,583	1,412,470	1,687,584
Parks & recreation services	2,268,282	2,418,121	2,169,119	2,188,035
Police services	286,325	328,074	344,166	399,995
Financial services	1,560,097	1,231,702	1,139,421	1,079,118
Fire and emergency services	701,182	682,030	666,312	781,113
Public works	306,217	143,719	655,318	532,904
Environmental services	-	-	436,823	426,704
Operating grants and contributions	1,590,012	1,370,171	872,869	2,000,918
Capital grants and contributions	20,356,722	6,950,033	4,711,880	2,081,922
Total governmental activities program revenues	28,185,468	14,397,433	12,425,150	11,197,158
Business-type activities:				
Charges for services:				
Utilities	36,366,181	35,480,457	37,326,725	37,854,941
Capital grants and contributions	2,029,529	2,752,595	7,267,043	4,732,349
Total business-type activities program revenues	38,395,710	38,233,052	44,593,768	42,587,290
Total primary government program revenues	$ 66,581,178	$ 52,630,485	$ 57,018,918	$ 53,784,448
Net (expense)/revenue				
Governmental activities	$ (31,591,023)	$ (45,945,405)	$ (50,659,903)	$ (55,168,089)
Business-type activities	4,456,833	3,107,058	10,869,605	7,168,275
Total primary government net expense	$ (27,134,190)	$ (42,838,347)	$ (39,790,298)	$ (47,999,814)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 31,661,618	$ 31,932,907	$ 32,193,718	$ 33,798,797
Sales tax	14,426,184	15,915,949	17,146,819	18,583,674
Occupancy tax	-	-	-	1,012
Franchise tax	5,238,450	5,049,148	5,021,948	6,005,446
Alcoholic beverage taxes	109,980	99,521	106,426	141,822
Investment earnings	86,340	160,366	175,524	85,606
Miscellaneous	826,903	945,387	1,404,910	1,807,192
Transfers	2,136,623	1,571,639	2,016,911	2,091,892
Total governmental activities	54,486,098	55,674,917	58,066,256	62,515,441
Business-type activities:				
Investment earnings	30,939	46,397	53,425	29,734
Miscellaneous	161,525	217,412	120,411	346,657
Transfers	(2,136,623)	(1,571,639)	(2,016,911)	(2,091,892)
Total business-type activities	(1,944,159)	(1,307,830)	(1,843,075)	(1,715,501)
Total primary government	$ 52,541,939	$ 54,367,087	$ 56,223,181	$ 60,799,940
Change in Net Position				
Governmental activities	$ 22,895,075	$ 9,729,512	$ 7,406,353	$ 7,347,352
Business-type activities	2,512,674	1,799,228	9,026,530	5,452,774
Total primary government	$ 25,407,749	$ 11,528,740	$ 16,432,883	$ 12,800,126

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 2,710,185	$ 2,794,319	$ 2,931,578	$ 3,201,156	$ 3,273,180	$ 3,454,566
420,248	452,165	664,969	1,041,158	524,126	506,395
2,127,945	2,190,178	2,293,593	3,056,531	1,983,306	2,187,528
13,099,658	7,220,132	13,082,357	6,743,384	12,344,192	7,053,088
-	-	-	-	1,896,889	1,943,000
13,636,237	14,942,215	15,684,683	17,070,265	18,964,282	17,946,700
3,410,121	3,619,248	3,655,549	2,584,378	4,000,678	4,392,826
5,401,704	5,490,036	5,883,895	5,870,601	6,038,018	6,508,843
13,404,744	16,043,210	17,298,859	16,762,366	20,916,756	20,719,163
835,127	816,871	784,921	736,150	806,512	784,176
1,480,041	18,685,536	12,763,676	16,572,455	10,155,359	24,568,733
1,309,252	1,417,981	1,514,141	1,515,323	1,487,918	1,509,345
2,048,454	2,166,224	1,976,019	2,510,411	2,449,547	2,332,467
59,883,716	75,838,115	78,534,240	77,664,178	84,840,763	93,906,830
37,704,865	41,019,967	39,100,879	43,265,124	42,723,810	45,970,592
37,704,865	41,019,967	39,100,879	43,265,124	42,723,810	45,970,592
$ 97,588,581	$ 116,858,082	$ 117,635,119	$ 120,929,302	$ 127,564,573	$ 139,877,422
$ -	$ 99,045	$ 26,399	$ 37,807	$ 23,847	$ 24,000
13,917	16,314	25,308	23,448	25,519	27,973
2,047,297	2,041,912	2,360,325	2,310,183	2,157,785	2,382,693
2,300,345	2,340,095	2,389,950	3,984,991	3,657,765	2,616,256
441,151	448,882	516,711	536,449	906,899	946,479
939,602	829,306	1,014,759	1,309,723	1,100,410	718,172
892,032	878,476	1,306,594	1,342,585	1,521,255	1,520,388
442,777	780,723	533,319	381,088	438,973	427,204
458,834	486,364	483,490	435,039	207,400	222,902
2,248,278	1,561,498	2,667,162	374,203	183,013	2,239,746
2,313,210	9,079,280	15,883,383	22,774,091	13,214,793	8,183,369
12,097,443	18,561,895	27,207,400	33,509,607	23,437,659	19,309,182
37,913,395	39,717,976	42,267,497	46,091,632	42,418,217	46,600,326
9,822,924	8,098,696	9,222,359	9,988,175	9,103,720	7,382,266
47,736,319	47,816,672	51,489,856	56,079,807	51,521,937	53,982,592
$ 59,833,762	$ 66,378,567	$ 78,697,256	$ 89,589,414	$ 74,959,596	$ 73,291,774
$ (47,786,273)	$ (57,276,220)	$ (51,326,840)	$ (44,154,571)	$ (61,403,104)	$ (74,597,648)
10,031,454	6,796,705	12,388,977	12,814,683	8,798,127	8,012,000
$ (37,754,819)	$ (50,479,515)	$ (38,937,863)	$ (31,339,888)	$ (52,604,977)	$ (66,585,648)
$ 36,055,874	$ 39,266,228	$ 43,632,879	$ 47,498,500	$ 51,056,486	$ 54,639,637
20,559,174	21,459,819	23,612,871	24,282,172	25,286,435	25,360,411
142	-	4,151	295,026	348,307	251,204
6,351,221	5,810,150	5,617,437	6,082,737	6,370,168	5,688,313
157,443	210,589	217,777	253,845	245,537	216,980
87,924	277,366	710,654	1,768,842	2,791,043	1,417,681
1,516,422	698,314	662,960	967,743	1,120,705	787,908
2,017,494	1,882,605	2,000,296	2,009,653	1,218,430	1,888,815
66,745,694	69,605,071	76,459,025	83,158,518	88,437,111	90,250,949
35,434	105,338	275,492	627,308	1,097,353	643,619
1,841,791	523,487	321,315	369,510	390,020	380,136
(2,017,494)	(1,882,605)	(2,000,296)	(2,009,653)	(1,218,430)	(1,888,815)
(140,269)	(1,253,780)	(1,403,489)	(1,012,835)	268,943	(865,060)
$ 66,605,425	$ 68,351,291	$ 75,055,536	$ 82,145,683	$ 88,706,054	$ 89,385,889
$ 18,959,421	$ 12,328,851	$ 25,132,185	$ 39,003,947	$ 27,034,007	$ 15,653,301
9,891,185	5,542,925	10,985,488	11,801,848	9,067,070	7,146,940
$ 28,850,606	$ 17,871,776	$ 36,117,673	$ 50,805,795	$ 36,101,077	$ 22,800,241

Town of Flower Mound, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
General fund				
Nonspendable	$ 225,468	$ 242,213	$ 294,020	$ 240,930
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	9,562,731	10,824,943	13,882,263	15,893,121
Total general fund	$ 9,788,199	$ 11,067,156	$ 14,176,283	$ 16,134,051
All other governmental funds				
Restricted	$ 19,533,215	$ 19,548,584	$ 22,185,637	$ 25,212,644
Committed	3,245,492	4,069,793	4,095,764	5,072,505
Unassigned	(8,006)	(8,007)	(8,007)	-
Total all other governmental funds	$ 22,770,701	$ 23,610,370	$ 26,273,394	$ 30,285,149

Fiscal Year					
2015	2016	2017	2018	2019	2020
$ 336,250	$ 927,238	$ 604,846	$ 743,791	$ 655,344	$ 654,839
-	-	-	-	400,000	800,000
-	-	-	2,146,865	3,745,079	-
16,553,717	15,256,717	16,493,062	16,053,558	16,670,607	21,309,816
$ 16,889,967	$ 16,183,955	$ 17,097,908	$ 18,944,214	$ 21,471,030	$ 22,764,655
$ 32,125,157	$ 34,876,744	$ 59,384,479	$ 63,258,446	$ 62,512,244	$ 53,372,864
5,457,481	6,251,679	7,733,984	9,848,445	10,032,496	14,236,071
3,081,272	3,794,488	-	-	-	-
$ 40,663,910	$ 44,922,911	$ 67,118,463	$ 73,106,891	$ 72,544,740	$ 67,608,935

Town of Flower Mound, Texas
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
Revenues				
Taxes				
Ad valorem	$ 31,668,848	$ 31,955,742	$ 32,159,454	$ 33,708,595
Sales	14,426,184	15,915,949	17,146,819	18,583,674
Franchise	4,939,226	5,057,676	6,559,151	5,876,564
Alcoholic beverage	109,980	99,521	106,426	141,822
Hotel Occupancy	-	-	-	1,012
Licenses, permits and fees	1,721,952	1,879,265	2,036,212	2,491,454
Intergovernmental	19,976,920	6,697,246	3,066,415	1,058,702
Impact fees	1,093,466	1,034,920	1,904,763	1,736,534
Charges for services	2,676,767	2,753,398	3,392,698	3,369,519
Fines and forfeits	1,564,194	1,303,429	1,119,096	1,123,235
Investment earnings	70,937	131,535	142,529	71,183
Memorials and contributions	851,083	611,182	505,242	1,396,978
Other revenue	847,164	1,090,330	1,666,560	1,813,713
Total revenues	79,946,721	68,530,193	69,805,365	71,372,985
Expenditures				
Current				
Administrative services	-	-	4,079,982	4,235,855
Town manager's office	2,218,603	2,208,400	2,958,456	2,635,992
Legislative services	357,739	419,296	438,717	358,625
Development services	1,494,458	1,481,455	1,543,838	1,870,022
Parks & recreation services	8,840,667	9,207,716	9,048,666	10,141,048
Library services	-	-	-	-
Police services	11,332,672	11,590,875	12,159,009	12,839,258
Financial services	7,269,434	7,337,097	3,206,447	3,238,724
Fire and Emergency services	10,481,637	10,021,633	10,676,869	12,066,007
Communications	713,805	699,662	844,341	748,135
Infrastructure services	5,872,840	6,852,539	-	-
Public works	-	-	5,380,029	6,170,269
Environmental services	-	-	1,193,517	1,153,293
Capital projects	16,776,698	7,639,100	7,488,000	2,423,620
Debt service				
Principal	4,990,000	5,090,000	5,620,000	5,885,000
Interest and fiscal charges	3,359,412	3,335,658	2,983,902	3,196,560
Total expenditures	73,707,965	65,883,431	67,621,773	66,962,408
Excess of revenues over (under) expenditures	6,238,756	2,646,762	2,183,592	4,410,577
Other financing sources (uses)				
Issuance of general debt obligation	-		2,940,000	460,000
Refunded bonds issued	-	4,360,000	2,015,000	5,245,000
Premium on bonds	-	151,390	215,430	495,142
Payment to escrow	-	(4,653,356)	(2,015,000)	(5,245,000)
Transfers in	2,323,144	4,093,735	3,547,395	3,223,159
Transfers out	(3,616,087)	(4,479,905)	(3,114,266)	(2,619,355)
Total other financing sources (uses)	(1,292,943)	(528,136)	3,588,559	1,558,946
Net change in fund balances	$ 4,945,813	$ 2,118,626	$ 5,772,151	$ 5,969,523
Debt service as a percentage of noncapital expenditures	17.12%	16.41%	15.81%	16.28%

Fiscal Year						
2015	2016	2017	2018	2019	2020
$ 36,027,958	$ 39,190,207	$ 43,677,863	$ 47,496,936	$ 51,054,324	$ 54,486,676
20,559,174	21,459,819	23,612,871	24,282,172	25,286,435	25,360,411
6,263,322	5,810,149	5,741,937	6,050,502	6,174,213	5,812,400
157,443	210,589	217,777	253,845	245,537	216,980
142	-	4,151	295,026	348,307	251,204
2,660,155	2,884,561	4,046,052	4,415,494	3,546,973	3,795,581
810,727	1,072,176	1,209,747	7,868,976	2,031,979	4,190,250
2,064,618	1,890,116	1,260,099	1,932,157	1,090,371	1,306,334
3,526,909	3,898,400	3,942,536	4,088,750	4,285,285	3,293,326
2,008,030	953,395	1,080,787	1,435,162	1,179,495	789,871
74,421	242,860	630,619	1,578,256	2,445,383	1,229,295
1,069,943	1,260,516	1,126,082	69,743	47,018	48,930
1,534,940	811,828	864,237	1,072,625	1,129,952	859,003
76,757,782	79,684,616	87,414,758	100,839,644	98,865,272	101,640,261
5,336,457	5,506,250	5,760,794	5,827,091	5,966,431	6,396,212
2,690,460	2,750,950	2,896,132	3,175,070	3,210,344	3,431,410
408,533	433,984	492,664	480,450	500,810	496,250
1,923,021	1,975,057	2,179,452	2,250,563	1,954,622	2,075,770
14,133,521	14,500,298	12,262,792	14,408,210	10,864,818	8,718,000
-	-	-	-	1,822,047	1,774,928
14,607,856	14,999,695	15,409,491	16,507,737	17,857,411	17,563,887
3,297,105	3,319,541	3,408,226	3,326,780	3,664,878	3,719,892
13,153,346	15,421,455	17,761,446	18,645,235	18,544,641	21,543,680
827,105	883,205	706,255	732,237	720,241	771,160
-	-	-	-	-	-
4,968,970	6,716,275	8,342,275	7,068,851	11,108,493	10,238,390
1,283,872	1,372,669	1,457,040	1,496,868	1,458,742	1,482,847
3,421,644	5,702,293	11,278,456	26,506,531	15,197,860	17,516,366
6,365,000	6,395,000	6,925,000	9,270,000	9,665,000	9,665,000
4,974,162	2,513,803	2,407,368	3,020,353	3,080,152	2,312,313
77,391,052	82,490,475	91,287,391	112,715,976	105,616,490	107,706,105
(633,270)	(2,805,859)	(3,872,633)	(11,876,332)	(6,751,218)	(6,065,844)
6,985,000	3,880,000	22,815,000	16,665,000	6,050,000	-
20,170,000	8,525,000	-	-	-	3,150,000
3,396,053	1,755,420	2,197,443	1,051,413	873,403	494,019
(20,170,000)	(9,653,577)	-	-	-	(3,564,197)
2,398,358	5,107,928	2,729,452	6,056,482	7,752,977	10,705,431
(1,011,464)	(3,255,923)	(759,756)	(4,061,829)	(5,960,497)	(8,361,589)
11,767,947	6,358,848	26,982,139	19,711,066	8,715,883	2,423,664
$ 11,134,677	$ 3,552,989	$ 23,109,506	$ 7,834,734	$ 1,964,665	$ (3,642,180)
19.08%	16.43%	13.07%	16.74%	16.38%	13.92%

Town of Flower Mound, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2011	6,947,804,480	656,137,484	836,482,444	6,767,459,520	0.4497
2012	7,038,937,695	713,189,642	854,245,457	6,897,881,880	0.4497
2013	7,064,354,700	711,081,059	865,737,581	6,909,698,178	0.4497
2014	7,334,383,104	785,024,308	894,558,609	7,224,848,803	0.4497
2015	7,993,458,807	842,357,983	999,503,936	7,836,312,854	0.4390
2016	8,771,603,727	892,336,206	1,013,378,573	8,650,561,360	0.4390
2017	9,495,030,344	1,040,667,578	1,136,774,763	9,398,923,159	0.4390
2018	10,366,832,694	1,127,919,242	1,164,318,055	10,330,433,881	0.4390
2019	11,242,157,569	1,210,276,383	1,277,805,694	11,174,628,258	0.4390
2020	12,106,967,554	1,380,178,587	1,605,022,089	11,882,124,052	0.4365

Town of Flower Mound, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	Town of Flower Mound			Overlapping Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	Lewisville Independent School District	Argyle Independent School District	Denton Independent School District	Northwest Independent School District	Denton County	Total Direct and Overlapping Rates *
2011	0.32310	0.12660	0.44970	1.42670	1.44005	1.53000	1.37500	0.27390	2.15030
2012	0.32670	0.12300	0.44970	1.42600	1.46005	1.53000	1.37500	0.27736	2.15306
2013	0.33265	0.11705	0.44970	1.45300	1.48005	1.53000	1.37500	0.28287	2.18557
2014	0.33367	0.11603	0.44970	1.47700	1.47505	1.53000	1.45250	0.28491	2.21161
2015	0.33535	0.10365	0.43900	1.47700	1.57005	1.54000	1.45250	0.27220	2.18820
2016	0.33117	0.10783	0.43900	1.47673	1.57005	1.54000	1.45250	0.26200	2.17773
2017	0.33767	0.10133	0.43900	1.42000	1.57005	1.54000	1.45250	0.24841	2.10741
2018	0.33970	0.09930	0.43900	1.40750	1.58505	1.54000	1.49000	0.23781	2.08431
2019	0.34647	0.09253	0.43900	1.40750	1.58505	1.54000	1.49000	0.22557	2.07207
2020	0.35401	0.08249	0.43650	1.33750	1.50800	1.47000	1.42000	0.22528	1.99928

* Total Direct and Overlapping Rates include Town of Flower Mound, Lewisville Independent School District and Denton County since the majority of property tax payers are in the Lewisville Independent School District. Those who are in the other School Districts total rate will vary accordingly

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	FY 2019-2020			FY 2010-2011		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Azure Lakeside LP	$ 87,814,155	1	0.74%	$ -		-
LIT HW1 LP/LIT Industrial LP	65,366,400	2	0.55%	-		-
Elan Flower Mound Phase II Venture LLC	56,411,014	3	0.47%	-		-
WMCi Dallas I LLC	55,264,880	4	0.47%	-		-
Robertson Creek Dunhill LLC	53,124,982	5	0.45%	-		-
Best Buy Stores LP	49,997,270	6	0.42%	-		-
MRW Investors LLC	49,718,876	7	0.42%	-		-
RCS-RCM Lakeside LLC	45,684,526	8	0.38%	-		-
IPT Dallas Distribution Portfolio LP	40,684,672	9	0.34%	-		-
Health Care Reit, Inc	39,976,158	10	0.34%	-		-
Robertson's Creek 1031 LLC & RC 1031-West Jordan PR	-		-	40,832,943	1	0.60%
LIT HW1 LP	-		-	29,524,224	2	0.44%
Best Buy Stores LP	-		-	25,436,248	3	0.38%
FMBP Industrial LP	-		-	22,519,622	4	0.33%
SFT Industrial I LP	-		-	21,625,390	5	0.32%
FVLAC Lantana LP ETAL	-		-	20,044,426	6	0.30%
Archstone Lexington Apartments LP	-		-	17,500,000	7	0.26%
Oncor Elec Delivery Co FKA: TXU U	-		-	17,478,240	8	0.26%
CS Lakeside 20 LTD LLP	-		-	17,219,111	9	0.25%
Prologis	-		-	16,024,332	10	0.24%
Totals	$ 544,042,933		4.58%	$ 228,204,536		3.37%

Source: Denton Central Appraisal District and Tarrant Appraisal District

Town of Flower Mound, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Tax Levy for Fiscal Year
2011	30,410,708	667,732	31,078,440
2012	31,063,353	182,710	31,246,063
2013	30,665,635	746,701	31,412,336
2014	32,304,047	413,851	32,717,898
2015	34,024,901	611,656	34,636,557
2016	37,680,177	186,782	37,866,959
2017	40,193,742	1,730,111	41,923,853
2018	44,774,562	796,538	45,571,100
2019	48,272,632	901,095	49,173,727
2020	50,877,974	1,418,309	52,296,283

Collected within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
Amount	Percentage of Levy	Years	Amount	Percentage of Levy
30,764,592	98.99%	301,415	31,066,007	99.96%
30,967,837	99.11%	267,813	31,235,650	99.97%
31,137,474	99.12%	248,161	31,385,635	99.91%
32,418,832	99.09%	272,256	32,691,088	99.92%
34,385,162	99.27%	217,879	34,603,041	99.90%
37,654,594	99.44%	168,104	37,822,698	99.88%
41,803,234	99.71%	73,447	41,876,681	99.89%
45,599,813	100.06%	(91,991)	45,507,822	99.86%
49,058,100	99.76%	(2,020)	49,056,080	99.76%
52,085,844	99.60%	-	52,085,844	99.60%

Town of Flower Mound, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Total Primary Government	Percentage of Personal Income *	Per Capita *
2011	60,200,000	18,290,443	1,535,000	40,879,557	8,615,000	129,520,000	3.06%	1,999
2012	56,525,000	16,875,443	4,430,000	42,829,557	7,710,000	128,370,000	2.90%	1,973
2013	53,724,667	18,963,220	5,307,373	48,365,641	6,715,017	133,075,918	2.92%	2,028
2014	49,187,468	17,746,211	6,425,025	59,310,139	5,747,871	138,416,714	2.95%	2,093
2015	47,794,421	20,507,646	7,177,458	62,926,918	4,740,726	143,147,169	2.86%	2,142
2016	45,938,356	20,340,514	20,054,833	59,557,648	-	145,891,351	2.84%	2,144
2017	39,712,050	44,112,315	25,113,546	58,072,477	-	167,010,388	3.10%	2,324
2018	33,065,745	58,507,859	21,382,846	59,436,958	-	172,393,408	3.08%	2,357
2019	26,706,289	61,381,719	17,177,145	80,130,019	-	185,395,172	3.12%	2,438
2020	25,030,852	53,505,162	14,593,656	84,054,802	-	177,184,472	-	2,269

* Population and Personal Income figures are listed on the Demographic and Economic Statistics

Town of Flower Mound, Texas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Governmental Debt	Business-type Debt	Total Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property *	Per Capita **
2011	78,490,443	42,414,557	120,905,000	581,383	120,323,617	1.78%	1,857
2012	73,400,443	47,259,557	120,660,000	446,178	120,213,822	1.74%	1,848
2013	72,687,887	53,673,014	126,360,901	501,158	125,859,743	1.82%	1,918
2014	66,933,679	65,735,164	132,668,843	730,467	131,938,376	1.83%	1,995
2015	68,302,067	70,104,376	138,406,443	602,949	137,803,494	1.76%	2,062
2016	66,278,870	79,612,481	145,891,351	776,482	145,114,869	1.68%	2,132
2017	83,824,365	83,186,023	167,010,388	951,984	166,058,404	1.77%	2,311
2018	91,573,604	80,819,804	172,393,408	1,127,261	171,266,147	1.66%	2,342
2019	88,088,008	97,307,164	185,395,172	1,290,869	184,104,303	1.65%	2,421
2020	78,536,014	98,648,458	177,184,472	1,499,400	175,685,072	1.48%	2,250

* Value of Property figures are listed on the Assessed Value and Estimated Actual Value of Taxable Property Statistics

** Population figures are listed on the Demographic and Economic Statistics

Data to present total debt outstanding as a percentage of personal income is unavailable.

Town of Flower Mound, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020
(unaudited)

Taxing Body	Bonded Debt**	Percentage of Debt Applicable to Town *	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Town of Flower Mound	$ 78,536,014	100.00%	$ 78,536,014
Total Direct Debt	78,536,014		78,536,014
Overlapping Debt:			
Argyle Independent School District	190,817,465	19.49%	37,190,324
Carroll Independent School District	346,705,000	0.02%	69,341
Denton County	611,835,000	10.68%	65,343,978
Denton Independent School District	1,367,776,088	0.21%	2,872,330
Grapevine-Colleyville ISD	399,400,437	0.01%	39,940
Lewisville Independent School District	1,405,027,596	26.15%	367,414,716
Northwest Independent School District	1,065,295,272	0.30%	3,195,886
Tarrant County	240,445,000	0.16%	384,712
Tarrant County College District	264,175,000	0.16%	422,680
Tarrant County Hospital District	16,135,000	0.16%	25,816
Total Overlapping Debt	5,907,611,858		476,959,723
Total Direct and Overlapping Bonded Debt	$ 5,986,147,872		$ 555,495,737

* Source: Texas Municipal Reports, Compiled and Published by Municipal Advisory Council of Texas

** The Town of Flower Mound's total bonded debt is $177,184,471 with $115,927,131 in tax supported debt which is funded by the revenues of the Utility System, the Town's Community Development Corporation and Tax Increment Reinvestment Zone (TIRZ), that the Town has elected to pay from System Net Revenues. The Town may change this policy at any time. This debt service is not included in any coverage calculation and is not subject to the Reserve Fund Requirement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Flower Mound. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Flower Mound, Texas
Legal Debt Margin Information
(unaudited)

The Town of Flower Mound operates under a Home Rule Charter as authorized by Article XI, Section 5 of the Texas Constitution. Accordingly, the Town is not limited by the law in the amount of debt it may issue.

Article IX, Section 9.15 of the Home Rule Charter of the Town of Flower Mound provides that:

> The Town Council shall have the power under the provisions of the State Law to levy, assess and collect an annual tax upon real and personal property within the Town to the maximum provided by the Constitution and General Laws of the State of Texas.

Under the Texas Constitution, the Town is limited to a total tax rate of $2.50 per $100 of assessed valuation for all Town purposes, including payment of principal and interest on general obligation debt, and operations of the General Fund.

The Town of Flower Mound ad valorem tax rate for all purposes at September 30, 2020, was $.4365 per $100 of assessed valuation with taxable property assessed at 100% of market value.

Town of Flower Mound, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)

	Water and Wastewater Bonds					
Fiscal Year	Total Revenue Available*	Less: Operating Expenses**	Net Available Revenue	Average Debt Service Principal	Interest	Coverage
2011	36,449,504	24,699,810	11,749,694	957,222	165,163	10.47
2012	35,998,663	26,893,851	9,104,812	963,750	146,269	8.20
2013	40,288,657	25,836,990	14,451,667	967,143	126,656	13.21
2014	39,633,604	26,892,489	12,741,115	965,833	106,332	11.88
2015	41,436,058	28,769,104	12,666,954	956,000	85,342	12.16
2016	41,960,681	32,005,631	9,955,050	- ***	-	N/A
2017	44,497,536	29,347,879	15,149,657	- ***	-	N/A
2018	49,172,947	32,226,278	16,946,669	- ***	-	N/A
2019	45,277,974	31,887,610	13,390,364	- ***	-	N/A
2020	49,891,652	33,799,148	16,092,504	- ***	-	N/A

* Total Revenue Available excludes stormwater drainage revenues.

** Operating Expenses include only water and wastewater expenses.

*** The outstanding revenue debt was refunded in March 2016 with General Obligation Refunding Bonds, Series 2016.

Town of Flower Mound, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income *	Per Capita Personal Income (Denton County) **	Median Age *	School Enrollment	Unemployment Rate ***
2011	64,790	-	42,371	-	17,937	6.40%
2012	65,060	-	44,268	-	17,640	5.20%
2013	65,615	-	45,605	-	17,514	5.30%
2014	66,130	-	46,987	-	17,315	4.00%
2015	66,820	-	50,112	-	19,141	3.10%
2016	68,050	-	51,332	-	16,680	3.40%
2017	71,850	-	53,948	-	16,618	2.80%
2018	73,130	-	55,933	-	16,490	2.70%
2019	76,030	-	59,414	-	16,510	2.60%
2020	78,080	-	-	-	16,055	4.50%

* Personal Income and Median Age are only available in census years. Other years information is not available for the Town.

Source: United States Census Bureau, Applied Geographical Solutions

** Source: Bureau of Economic Analysis

*** Texas Workforce Commission

Town of Flower Mound, Texas
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Communication Test Design, Inc. (CTDI)	1,200	1	2.78%	195	5	0.55%
Texas Health Presbyterian Hospital Flower Mound	700	2	1.62%	300	4	0.84%
MI Windows & Doors	660	3	1.53%	-	-	-
Thirty-One Gifts	650	4	1.50%	-	-	-
Stryker Communications	470	5	1.09%	315	3	0.88%
Best Buy Distribution & Service Center	250	6	0.58%	185	6	0.52%
HD Supply	200	7	0.46%	175	7	0.49%
KeHE (formerly Nature's Best)	200	7	0.46%	-	-	-
FUNimation Entertainment	175	9	0.40%	-	-	0.00%
Ivie & Associates	175	9	0.40%	150	8	0.42%
Lewisville Independent School District	-	-	-	1,647	1	4.62%
Town of Flower Mound	-	-	-	455	2	1.28%
Premier Manufacturing	-	-	-	140	9	0.39%
Kroger	-	-	-	115	10	0.32%
Totals	4,680		10.83%	3,677		10.32%

Source: Town Economic Development Division
Note: Listing includes only private sector employers for 2020.

Town of Flower Mound, Texas
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of September 30									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019***	**2020**
Function										
Administrative services	-	-	26.00	29.00	29.00	29.00	30.00	30.00	31.00	30.00
Communications	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.50
Community services	120.25	106.50	106.50	109.50	113.50	113.75	115.50	117.50	-	-
Parks & Recreation Services	-	-	-	-	-	-	-	-	99.25	99.25
Library Services	-	-	-	-	-	-	-	-	21.00	21.00
Development services	20.00	20.00	36.00	34.50	30.50	31.50	33.50	33.25	23.00	23.00
Environmental services	-	-	14.75	14.75	14.75	16.00	17.50	17.50	16.50	16.50
Financial services	66.50	67.00	39.00	38.00	37.50	37.50	37.50	37.50	37.50	37.50
Fire and emergency services	98.50	99.50	99.50	99.50	101.50	114.50	114.50	115.00	116.00	131.00
Infrastructure services	89.00	105.75	-	-	-	-	-	-	-	-
Legislative services	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Police services	137.50	139.50	139.50	142.50	145.00	148.50	150.50	140.50	151.00	169.75
Public works	-	-	75.00	79.00	88.50	96.50	98.00	98.75	113.50	113.50
Town manager's office	3.00	3.00	5.00	5.00	5.50	5.50	5.50	6.50	6.50	6.50
Total	544.75	551.25	551.25	561.75	576.75	602.75	613.50	607.50	626.25	659.50

Source: Town Financial Services Department

*Effective fiscal year ending September 30, 2019, Community Services was split into Parks and Recreation Services and Library Services.

Town of Flower Mound, Texas
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year			
	2011	**2012**	**2013**	**2014**
Function				
Development services				
New residential building permits issued	102	119	240	322
Value	$ 54,746,900	$ 50,771,491	$ 110,856,901	$ 142,083,930
New commercial building permits issued	18	44	71	75
Value	$ 8,403,254	$ 36,412,981	$ 186,476,151	$ 143,469,134
Financial services				
Average daily consumption (gallons)	13,950,941	13,040,465	12,625,959	11,644,052
Water customers	21,434	21,572	22,043	22,372
Sewer customers	18,737	18,843	19,211	19,507

Source: Town Development Services Department and Financial Services Department
* Values reflect amounts as of June 30, 2019. Due to HB 852, Permit values are no longer obtained during the permit process.

Fiscal Year						
2015	2016	2017	2018	2019*	2020
500	350	448	592	500	423
$ 219,691,459	$ 167,205,907	$ 205,903,096	$ 257,252,261	$ 156,432,776	$ -
73	74	62	35	46	59
$ 145,954,106	$ 187,454,584	$ 118,872,009	$ 68,624,239	$ 74,466,756	$ -
11,261,386	11,839,381	12,168,768	13,527,951	10,318,256	12,393,690
22,917	23,326	23,845	24,443	24,977	25,391
20,012	20,385	20,845	21,375	21,883	22,246

Town of Flower Mound, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Function										
Community services										
Parks acreage	926	926	926	940	940	940	888*	888	983**	983
Parks	52	54	55	54	54	54	55	55	56	56
Financial services										
Water mains (miles)	380	380	396	420	429	437	448	454	462	467
Fire and Emergency services										
Fire stations	5	5	5	5	5	5	6	6	6	6
Fire hydrants	3,191	3,214	3,387	3,620	3,708	3,819	3,946	4,061	4,184	4,288
Infrastructure services										
Improved streets (miles)	369	375	377	388	401	408	415	415	418	419
Unimproved streets (miles)	3	4	4	7	7	8	8	8	9	10
Storm sewers (miles)	140	140	137	156	160	160	164	164	164	166

* Parks acreage includes long-term leased land from the Corp of Engineer for Twin Coves park.
Twin Coves Park acreage was updated to reflect most recent data from GIS

** Parks acreage reflects the most updated information from Parks and GIS and includes all named parks, greenbelts, open space, COE leases, and LISD property that the Town uses and maintains.

Source: Town Departments

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Flower Mound, Texas (the Town), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
February 24, 2021

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

Report on Compliance for the Major Federal Program

We have audited Town of Flower Mound, Texas' (the Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended September 30, 2020. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on the Major Federal Program
In our opinion, the Town of Flower Mound, Texas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2020.

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Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ede Bailly LLP

Abilene, Texas
February 24, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice			
Direct Program			
Internal Revenue Service Equitable Sharing	16.922	75-1366210	$ 94,173
Direct Program			
Bulletproof Vests	16.607	BVP2019	19,540
Passed through Office of the Texas Governor			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3786901	95,860
Total Department of Justice			209,573
Department of Housing and Urban Development			
Direct Program			
Community Development Block Grant	14.218	B-16-MC-48-0042	6,370
Community Development Block Grant	14.218	B-17-MC-48-0042	7,698
Community Development Block Grant	14.218	B-18-MC-48-0042	42,648
Community Development Block Grant	14.218	B-19-MC-48-0042	125,853
Community Development Block Grant - COVID-19	14.218	B-20-MW-48-0042	35,814
Total Community Development Grant - Entitlement Grant Cluster			218,383
Total Department of Housing and Urban Development			218,383
Department of Transportation			
Passed through Texas Department of Transportation			
State and Community Highway Safety Grant - Highway Safety Cluster	20.600	2020-Flower PD-S-1YG-00085	8,090
Total Department of Transportation			8,090
Department of Treasury			
Passed through Denton County, Texas			
Coronavirus Relief Fund	21.019	OIG-CA-20-021	1,994,090
Passed through Tarrant County, Texas			
Coronavirus Relief Fund	21.019	OIG-CA-20-021	20,625
Total Department of Treasury			2,014,715

See Notes to Schedule of Expenditures of Federal Awards

National Foundation on the Arts and the Humanities			
Passed through Texas State Library and Archives Commission			
Libraries and Literacy Reimbursement Program	45.310	LS-00-19-0044-19	1,863
Total National Foundation on the Arts and the Humanities			1,863
Department of Homeland Security			
Direct Program			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00093	705,755
Passed through Governor's Divison of Emergency Management			
Homeland Security Grant	97.067	3735501	36,351
Total Department of Homeland Security			742,106
Total Federal Awards			$ 3,194,730

See Notes to Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Flower Mound, Texas, under programs of the federal government for the year ended September 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note B – Summary of Significant Accounting Principles

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. No federal awards have been provided to a subrecipient.

Note C – Indirect Cost Rate

The Town is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the Town has previously received a negotiated indirect cost rate for its federal awards.

Note D – Provider Relief Funds

The Town received amounts from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund (PRF) program (Federal Financial Assistance Listing/CFDA #93.498) during the year ended September 30, 2020. The Town incurred eligible expenditures and, therefore, recognized revenues totaling $25,199 for the year ended September 30, 2020 on the financial statements. However, the PRF expenditures are not recognized on the schedule, in accordance with the OMB Compliance Supplement addendum, until the expenditures are included on the reporting to HHS for the calendar year ending December 31, 2020, as required under the PRF program.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	CFDA Number
COVID-19 - Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.

THE TOWN OF
FLOWER MOUND
TEXAS